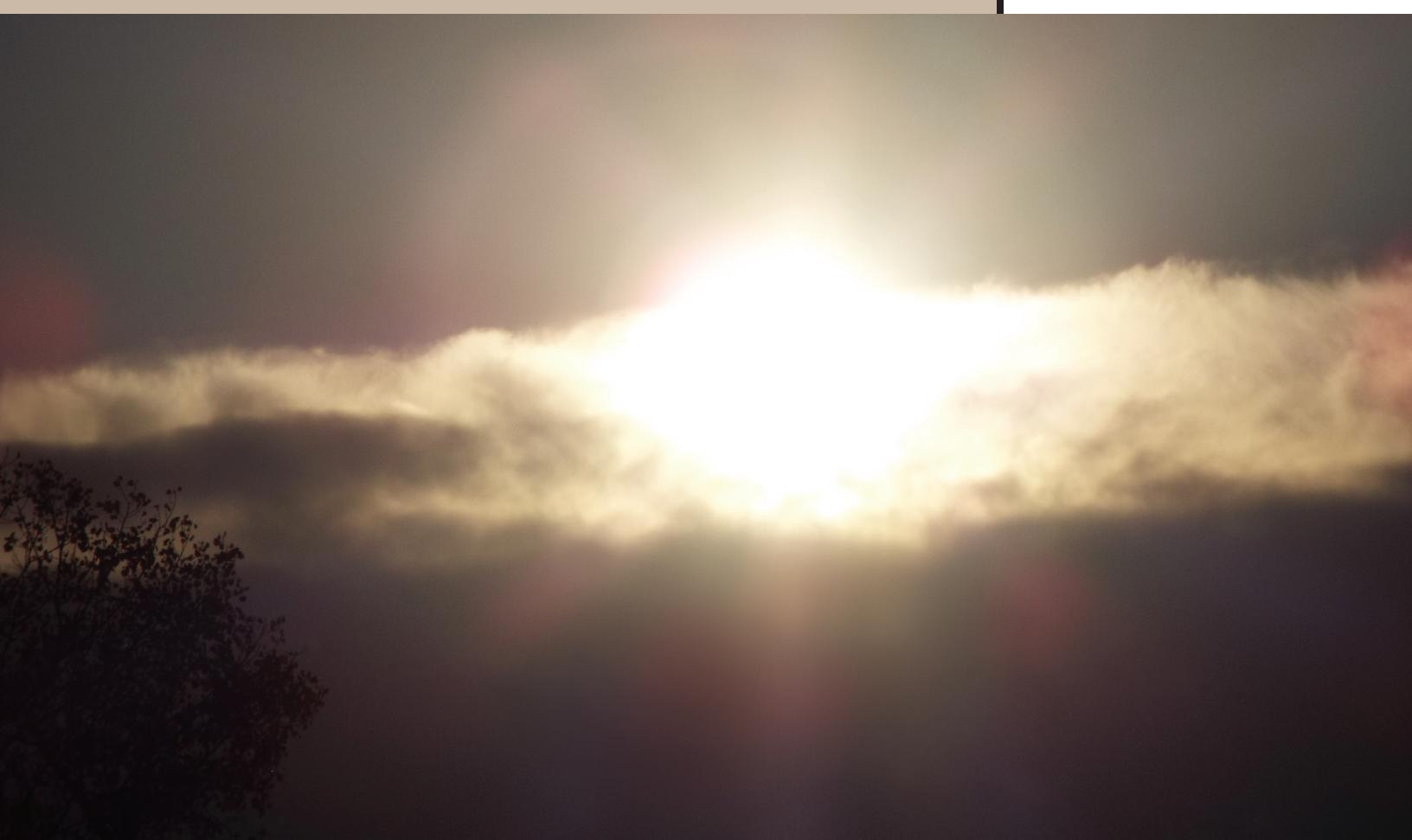


# *Beginning a Second Century of Service*



Missouri Public Service Commission  
**2014 Annual Report**



**Cover photo by Natelle Dietrich**



Commissioners

**ROBERT S. KENNEY**  
Chairman

**STEPHEN M. STOLL**

**WILLIAM P. KENNEY**

**DANIEL Y. HALL**

**SCOTT T. RUPP**

## Missouri Public Service Commission

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573-751-3234  
573-751-1847 (Fax Number)  
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**JOSHUA HARDEN**  
General Counsel

**MORRIS WOODRUFF**  
Secretary

**WESS A. HENDERSON**  
Director of Administration  
and Regulatory Policy

**CHERLYN D. VOSS**  
Director of Regulatory Review

**KEVIN A. THOMPSON**  
Chief Staff Counsel

November 6, 2014

**The Honorable Jeremiah W. Nixon**  
Governor of Missouri  
State Capitol  
Jefferson City, Missouri

Dear Governor Nixon:

As Chairman of the Missouri Public Service Commission, it is my pleasure to submit the agency's annual report for the fiscal year July 1, 2013 through June 30, 2014, as well as additional information for the calendar year 2014. The Commission's work this year included:

- **Laclede/MGE Merger:** In January 2013, Missouri Gas Energy (MGE) and Laclede Gas Company (Laclede) filed a Joint Application requesting authority for MGE to sell its assets to Laclede. In July 2013, a unanimous stipulation and agreement for the merger was filed and subsequently approved by the Commission.
- **Solar Energy:** Approved an application filed by Ameren Missouri authorizing the construction of a 5.7 megawatt direct current photovoltaic solar generating facility, the largest solar facility in Missouri. The O'Fallon, Missouri facility is scheduled to begin operation in December 2014.
- **Energy Efficiency:** Approved a stipulation and agreement which implemented 12 energy efficiency programs for Kansas City Power & Light Company (KCPL) under the Missouri Energy Efficiency and Investment Act (MEEIA). Implementation of the demand-side programs began July 6, 2014. These programs are anticipated to result in the cumulative annual energy savings of approximately 102,589 MWh. In addition, the Commission participated in or hosted several roundtable discussions, including: Improving Energy Efficiency for Affordable Multifamily Housing, National Governors Association State

Energy Efficiency Policy Retreat, MEEIA Statewide Advisory Collaborative, and the Midwest Energy Policy Conference.

- **Electric Transmission:** Opened a workshop docket to examine transmission seams issues between the Midcontinent Independent System Operator, Inc. and Southwest Power Pool, Inc. in Missouri with the goal of maximizing value to Missouri consumers.
- **Major Rate Cases:** Approved a stipulation and agreement filed in the Missouri Gas Energy/Laclede Gas Company rate case which resulted in customers receiving a slight decrease in their current monthly natural gas bill. In the final quarter of 2014, the Commission issued report and orders in natural gas rate cases filed by Summit Natural Gas and Liberty Utilities. During the 2015 fiscal year, the Commission will be deciding electric rate cases filed by Ameren Missouri and The Empire District Electric Company. In addition, an electric rate case was filed by Kansas City Power & Light on October 30, 2014.
- **Consumer Service:** Commission staff responded to more than 16,000 customer-related contacts and saved Missouri consumers approximately \$116,000 during the 2014 fiscal year. The Commission also handled six formal and 1,392 informal complaints during the fiscal year.
- **Consumer Outreach and Education:** In fiscal year 2014 there were approximately 50 different consumer outreach activities. In October 2013 and 2014, the Commission partnered with Heat Up St. Louis, a non-profit organization that focuses on assisting elderly, disabled, and low-income families with their heating bills. The Commission was able to reach out to many of the 3,000 consumers in 2013 and 3,850 consumers in 2014 that attended this event. The Commission has continued to increase its consumer outreach and education by dedicating an existing FTE position to this task, continuing to respond to requests through its Speakers Bureau and adding multilingual capabilities to its website.
- **Local Public Hearings:** Held local public hearings across the state to receive customer comment on cases before the Commission. These hearings also provide the PSC with a means to educate consumers on the role of the Commission and to answer questions they may have about the Commission or the utility services they receive. The Commission held 24 local public hearings during the 2014 fiscal year.
- **Federal Environmental Regulations:** In December 2013, the Commission submitted comments to the Environmental Protection Agency (EPA) regarding Section 111(d) of the Clean Air Act. The EPA released proposed guidelines for reducing carbon emissions in June 2014. The Commission, through its environmental regulations docket, recently held a workshop where stakeholders presented and discussed their perspective regarding compliance under the proposed rule. The Commission continues to work with stakeholders and other state agencies in reviewing the EPA proposal.
- **Federal Activity:** Continued to be a strong and active voice for Missourians monitoring federal issues before the Federal Energy Regulatory Commission (FERC) and the Federal Communications Commission (FCC).

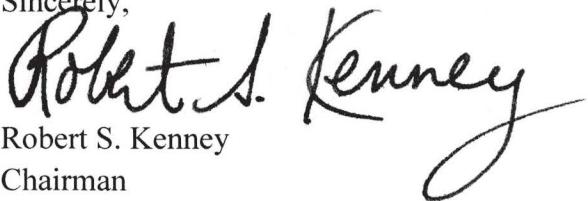
- **Manufactured Housing and Modular Unit Program:** Staff conducted 332 on-site inspections, licensed 128 manufacturers, 197 retail dealers, and 78 installers during the 2014 fiscal year. Staff conducted 25 consumer complaint inspections and resolved approximately 98% of the complaints received.
- **Public Utility Law Symposium:** Held the Commission's Fourth Annual Public Utility Law Symposium at the Saint Louis University School of Law on October 17, 2014. The annual symposium offered free continuing legal education credits to approximately 100 practitioners and students on public utility law and general practice skills.
- **Open Proceedings:** Consumers can access the Commission's website and view, in real time, hearings in cases before the Commission or watch the Commission conduct business in its weekly agenda meeting. In addition, consumers can view all public information in cases before the PSC by accessing the website ([www.psc.mo.gov](http://www.psc.mo.gov)).

The Commission remains busy ensuring the safe and reliable delivery of vital utility services at just and reasonable rates. We also recognize the dynamic nature of the industry as evidenced by rapid technological advances and public policy pronouncements. This recognition means we have an obligation to ensure the consuming public is well informed. This recognition also means we have an obligation to ensure that our regulatory practices keep pace with the dynamism of the industry.

To that end, we strive to constantly evaluate and examine our practices, processes and procedures to ensure we are delivering excellent service. We also strive to maximize the effectiveness of our consumer outreach and education, which recently resulted in the creation of the new position of consumer services coordinator. Above all, we strive to ensure we are serving the people of Missouri with the highest degree of excellence, dedication and professionalism.

I hope that you will find this report helpful and useful. If there is any additional information that we can provide, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Robert S. Kenney". The signature is fluid and cursive, with "Robert S." on top and "Kenney" on the bottom.

Robert S. Kenney  
Chairman



*From left to right: Commissioner William P. Kenney, Commissioner Stephen M. Stoll, Commissioner Scott T. Rupp, Chairman Robert S. Kenney and Commissioner Daniel Y. Hall*



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# BUDGET

Fiscal Year 2015

## Public Service Commission

Public Service Commission-Personal Service	\$10,618,459
Public Service Commission-Expense & Equipment	\$2,536,462
Public Service Commission-Refunds	<u>\$10,000</u>
Total	\$13,164,921
Full-Time Employees (F.T.E.)	194.00
Office of Public Counsel-Personal Service	\$753,858
Office of Public Counsel-Expense & Equipment	<u>\$258,199</u>
Total	\$1,012,057
Full-Time Employees (F.T.E.)	14.00

## Deaf Relay Service and Equipment Distribution Program

Expense & Equipment Appropriation	<u>\$2,495,808</u>
Total	\$2,495,808
Full-Time Employees (F.T.E.)	0.00

## Manufactured Housing Department

Personal Service	\$349,828
Expense & Equipment	\$354,466
Program Specific Distribution & Refunds(MH)	\$20,000
MH-Refunds	<u>\$10,000</u>
Subtotal	\$734,294

## Program Specific Distribution MH Consumer Recovery\*

Total	\$926,294
Full-Time Employees (F.T.E.)	8.00

<b>TOTAL BUDGET</b>	<b>\$17,599,080</b>
<b>TOTAL FTE</b>	<b>216.00</b>

\*Consumer Recovery Fund Appropriation

# COMMISSIONER BIOGRAPHIES

## Robert S. Kenney, Chairman

**C**hairman Robert S. Kenney was appointed to the Missouri Public Service Commission on July 29, 2009 by Governor Jay Nixon. He was unanimously confirmed by the Missouri State Senate on January 13, 2010. He was named Chairman of the PSC by Governor Nixon on March 1, 2013.

Since his appointment, Chairman Kenney has been working proactively to enhance the quality of regulation at the PSC. To this end, he has instituted programs aimed at elevating the level of advocacy at the commission and the level of consumer outreach and education. Chairman Kenney is responsible for the creation of the PSC's Speakers Bureau, the annual Public Utility Law Symposium, and the creation of a dedicated Consumer Outreach and Education Specialist.

A nationally recognized leader in public utility law and regulation, Chairman Kenney serves on the boards and advisory boards of numerous organizations including: Institute for Electric Efficiency; National Regulatory Research Institute; Electric Power Research Institute; Financial Research Institute at the University of Missouri, Columbia; Eastern Interconnection States' Planning Council; Critical Consumer Issues Forum; and the Center for Public Utilities at New Mexico State University.

Chairman Kenney is an active member of the National Association of Regulatory Utility Commissioners (NARUC). He serves as Chair of the Committee on Energy Resources and the Environment and on the NARUC Board of Directors. He also serves on the Consumer Affairs Committee, the Subcommittee on Utility Market Place Access, and the International Relations Committee.

Chairman Kenney served as President of the Organization of MISO States from 2011 to 2013. As President of the Organization of MISO States, Chairman Kenney led efforts to enhance and strengthen the role of the state regulatory sector in the MISO market. His leadership resulted in enhanced authority for the OMS whereby the OMS has the ability to make certain filings pursuant to section 205 of the Federal Power Act. This major enhancement will provide state regulators increased ability to protect the consumers' interests.

Prior to his appointment to the PSC, Chairman Kenney served as Missouri Attorney General Chris Koster's Chief of Staff.

As Chief of Staff, Chairman Kenney was instrumental in leading the office through the transition process. He was responsible for overall management of the Attorney General's attorney and non-attorney employees in five offices throughout the state. Chairman Kenney was also responsible for managing and litigating complex cases involving, among other things, election law, petition initiatives, and representation of statewide elected officials. Chairman Kenney was also tasked with monitoring and advocating on behalf of legislation affecting the Attorney General's Office. As a part of the executive leadership team, Chairman Kenney was

responsible for the management and administration of a \$23 million budget. Chairman Kenney also acted as the primary liaison with multiple constituencies including the Missouri General Assembly, statewide elected officials, local/municipal elected officials and leaders, and the labor, law enforcement, agriculture, minority, and other communities.

Previously, Chairman Kenney was a shareholder at the St. Louis law firm Polsinelli Shalton Flanigan Suelthaus PC (now Polsinelli Shughart), where he practiced in the commercial and business litigation practice group and the product liability practice group. He litigated complex cases in state and federal courts in Missouri, Illinois, and other courts throughout the country. Chairman Kenney chaired Polsinelli's diversity committee and served on the firm's recruiting committee.

Prior to his time in private practice at Polsinelli, Chairman Kenney was an Assistant Attorney General in the Missouri Attorney General's Office, practicing in the Consumer Protection Division. In that division, Chairman Kenney worked to enforce state and federal consumer protection laws. Chairman Kenney also served the community by implementing community education and outreach efforts. Chairman Kenney also played an instrumental role in the initial implementation and enforcement of Missouri's Telemarketing No-Call List Law.

Chairman Kenney remains actively involved in a host of civic and bar related activities. Chairman Kenney is a member of the Missouri Bar Board of Governors. Chairman Kenney served as the Co-Chair of the 2009-2010 Missouri Bar Leadership Academy. He is Vice-Chair of the Missouri Bar's Twenty-Second Circuit Judicial Evaluation Committee and Vice-Chair of the Missouri Bar's Environmental and Energy Law Committee. Chairman Kenney is a past President of the Mound City Bar Association. Chairman Kenney has also served as a member of the board of governors of the Bar Association of Metropolitan St. Louis, serving as a presidential liaison.

Chairman Kenney has served on the Board of Trustees for Fontbonne University, the Board of Directors for The St. Louis Black Repertory Theater, and the Board of Directors for the Portfolio Gallery and Educational Center. Chairman Kenney is a member of Alpha Phi Alpha Fraternity, Inc., Epsilon Lambda Chapter.



# BIOGRAPHIES

Chairman Kenney appears in the *St. Louis Business Journal's Who's Who in Energy* and has received its Inclusive Leadership and 40 Under 40 Awards. He was recognized by *Missouri Lawyers Weekly* as an "Up and Coming Lawyer" and by *Missouri and Kansas Super Lawyers*, as a "Rising Star" in the Business Litigation practice area. Chairman Kenney also appears in *Who's Who In Black St. Louis*.

Chairman Kenney earned his undergraduate degree in 1994 from Hampton University in Hampton, Virginia. He earned his law degree in 1998 from Saint Louis University School of Law. While in law school, Chairman Kenney was an Articles Editor for the *Saint Louis University Public Law Review*. He was also a member of the National Moot Court Team and the Moot Court Board. He is licensed to practice law in Missouri and Illinois (inactive). He is a member of the American Bar Association, the National Bar Association, the Energy Bar Association, and the Mound City Bar Association.

Chairman Kenney is married to Michelle (Oakley) Kenney. They have two children: daughter, Mackenzie; and son, Robert, Jr. They live in the Carondelet neighborhood in the City of St. Louis, Missouri.

## Stephen M. Stoll, Commissioner



Stephen M. Stoll was appointed to the Public Service Commission by Missouri Governor Jay Nixon in December, 2011, re-appointed in May, 2012 and unanimously confirmed by the Missouri Senate in January, 2013. He is the only PSC Commissioner in Missouri history to twice receive a unanimous "do-pass" confirmation recommendation from the Senate Committee on Gubernatorial Appointments for the same term, and the only commissioner whose confirmation consideration covered three calendar years.

Commissioner Stoll is well-known to the Missouri Senate and the House of Representatives, having been elected to both legislative bodies by the citizens of his home area in Jefferson County. Stoll was first elected to the Missouri House of Representatives, District 103, in 1992. He was re-elected by the citizens of that district in 1994 and 1996 to serve three consecutive terms in that chamber. During his tenure in the Missouri House, Stoll served on a number of legislative committees, including being named chairman of the House Elementary and Secondary Education Committee.

In 1998, Stoll was elected to the Missouri Senate, serving the 22nd District that comprised the northern two-thirds of

Jefferson County. As Senator from the 22nd, Stoll replaced Senate President Pro-Tem Bill McKenna, the Senate's highest ranking official. Stoll, who was re-elected to the Senate in 2002, served on a number of committees, including the Senate Committee on Commerce and the Environment, the Senate Committee on Local Government and Economic Development, the Senate Ways and Means Committee and the Senate Appropriations Committee. He also served as chairman of the Committee on Elections, Veterans and Corrections during his first term in the Senate.

In 2005, Stoll returned to Jefferson County to serve as the City Administrator of Festus, a position he held for four years.

In 2009, Stoll was named Director of Administration for Jefferson County, becoming the first director to serve under the Home Rule Charter of Jefferson County.

Commissioner Stoll is a member of the National Association of Regulatory Utility Commissioners, and serves on the NARUC Committee on Water and Electricity. Stoll serves as the Missouri Public Service Commission's representative on the Regional State Committee for the Southwest Power Pool.

Stoll is veteran of the U.S. Army. He holds a Bachelor of Arts degree in political science from the University of Missouri-Columbia and a Master of Education degree from the University of Missouri-St. Louis.

Stoll worked as a classroom teacher in Jefferson County schools, where he taught social studies for 20 years. He was first elected to public office in Crystal City, where he served on the City Council from 1983 to 1992.

Commissioner Stoll and his wife, Kathy, have four children (Emily Stoll, deceased) and five grandchildren.

## William P. Kenney, Commissioner

Commissioner Bill Kenney was appointed to the Missouri Public Service Commission by Governor Jay Nixon on January 9, 2013. On January 24, 2013, he was confirmed by the Missouri Senate to a six-year term.

Commissioner Kenney was born in San Francisco, California and grew up in Southern California with his parents and eight siblings. He received an Associate of Arts Degree from Saddleback Junior College and attended Arizona State University prior to graduating from the University of Northern Colorado with a Bachelor's Degree in Business Management.



# BIOGRAPHIES

Commissioner Kenney was drafted as a quarterback in the National Football League by the Miami Dolphins in 1978. He went on to play professional football for 11 years, 10 with the Kansas City Chiefs. Among his many accomplishments were becoming the National Football League's fourth quarterback to ever throw for 4000 yards in a single season, Pro Bowl 1983 and Kansas City Chiefs Most Valuable Player in 1983.

Upon his retirement from football, Commissioner Kenney became a licensed real estate broker. He is president of Bill Kenney & Associates, a real estate brokerage and development company. He is also president of Bill Kenney Homes, a residential construction company.

Commissioner Kenney was elected to the Missouri Senate in 1994 and served the citizens of eastern Jackson County until 2002. In 2001, Commissioner Kenney was selected by Senate members to serve as the Majority Floor leader, the first Republican to hold this office in over 50 years. During a brief stint when neither party had an 18-seat majority, he became the first Republican in history to serve as co-floor leader.

In 1996, Commissioner Kenney was the Republican nominee for Lieutenant Governor. From January 2011 until accepting his current position, Commissioner Kenney was Chief of Staff for Missouri Lieutenant Governor Peter Kinder.

In August of 2013, Commissioner Kenney was appointed to the National Association of Regulatory Utility Commissioners Committee on Gas.

Commissioner Kenney is married to Sandra (Ehrlich) Kenney. They reside in Lee's Summit and have four adult children.



General Jay Nixon. In this position, he litigated in state and federal courts, both trial and appellate, and provided counsel to the Attorney General concerning a wide range of topics including tobacco, sunshine law, education, elections, federal military base closure, and constitutional legislative procedures.

Between 2001 and 2003, Hall served in the Administration of Governor Bob Holden, first as Assistant Commissioner for Policy in the Office of Administration, then as a Senior Policy Adviser to the Governor. In these positions, Hall worked in policy development and legislation in the areas of transportation, natural resources, conservation, labor, agriculture, economic development and the annual state operating budget.

From 1998 to 2001, Hall served as Chief of Staff to Missouri House Speaker Steve Gaw. His responsibilities included coordinating the formulation and passage of the legislative agenda of the Speaker and House majority caucus, supervision of the Speaker's office staff and liaison with the Chief Clerk regarding House legal and personnel matters.

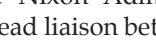


Prior to his state government service, between 1995 and 1998, Hall worked in private practice as an associate with Bryan Cave, LLP in Kansas City. His litigation practice included labor and employment, class action defense and commercial disputes. From 1993 to 1995, Hall served as a Law Clerk to United States District Court Judge Dean Whipple. In this capacity, Hall conducted research and drafted opinions and orders in a broad range of civil and criminal cases, and provided counsel to the Judge concerning the court's management of state and local entities under its supervision.

Prior to becoming an attorney, Hall worked as a history, sociology and economics teacher at Ranson Everglades High School in Miami, Florida, where he also coached tennis and soccer.

Hall was awarded a Juris Doctorate from the University of Missouri School of Law in 1993. His law school honors include the Order of the Coif, Order of the Barristers and Board of Advocates. He was a member of the Law Review, serving as Note and Comment Editor. In 1988, Hall graduated cum laude with a Bachelor of Arts degree from Carleton College in Northfield, Minnesota, with a major in history and a minor in political economy.

Hall and his wife, Cindy, have three children – Elly, Kate and Keaton – and make their home in Columbia.



## Daniel Y. Hall, *Commissioner*

**C**ommissioner Daniel Yves Hall was appointed to the Missouri Public Service Commission on September 27, 2013 by Governor Jay Nixon and unanimously confirmed by the Missouri State Senate on January 30, 2014. An attorney, he is the 101st PSC Commissioner in the 100-year history of the PSC – Missouri's oldest state agency.

Commissioner Hall is a member of the National Association of Regulatory Utility Commissioners (NARUC), and serves on the NARUC Committee on Water, and the Washington Action Committee.

From January of 2009 when Governor Nixon was sworn into office until his appointment to the Commission, Hall served as the Legislative Director to the Governor, overseeing efforts to advance the Nixon Administration's legislative agenda and serving as lead liaison between the Governor and members of the Missouri General Assembly.

From 2003 to 2009, Hall served as Senior Counsel and Assistant Attorney General in the Office of Missouri Attorney

# BIOGRAPHIES

## Scott T. Rupp, *Commissioner*

**C**ommissioner Scott T. Rupp was appointed to the Missouri Public Service Commission by Gov. Jay Nixon on March 25, 2014. He was confirmed by the Missouri Senate on April 3, 2014.

Prior to his appointment, Commissioner Rupp represented the western portion of St. Charles County in the Missouri Senate. He was elected to the Senate in a special election in April 2006, and was re-elected in 2006 and 2010. Previously, he was twice elected to represent the citizens of northwest St. Charles County in the Missouri House of Representatives and received more than 65 percent of the vote in 2002 and 2004.

Commissioner Rupp was born in Peoria, IL, the youngest of five children. His parents, Chester and Eleanor Rupp, moved the family to St. Charles when he was 10 years old. He attended and graduated with honors from Duchesne High School in 1991. Commissioner Rupp attended University of Missouri at Columbia and upon graduating in 1995, he started a small business.

Commissioner Rupp and his brother, Gregory Rupp, founded a college preparatory company, Educational Funding & Financial Aid Specialists, in which they assisted parents of high school students in preparing their children for college. Commissioner Rupp was also a registered investment representative and he founded the investment firm Rupp & Associates. A few years later he saw a need to help parents struggling to pay for the rising college tuition bills, so he founded the Educational Financing Company, which specialized in loans for parents of college-bound students. Upon his election to the Missouri Senate in 2006, he sold all of his businesses.

Early in his Senate career, Commissioner Rupp made a positive impact in Missouri Government. Highly respected for his openness to listen and work for common sense solutions to

problems, then-Sen. Rupp took the lead on several important issues facing the state. In 2007, he advanced legislation to modernize Missouri's insurance laws, including measures to protect Missourians from the illegal activities of several title insurance companies that were leaving homeowners with thousands of dollars in debt.

While serving in the Senate, Commissioner Rupp emerged as a true champion for families with special needs children and his leading efforts as Chair of the Blue Ribbon Panel on Autism resulted in the creation of the first Missouri Commission on Autism Spectrum Disorders and the Missouri Office of Autism. Rupp sponsored and passed the nation leading legislation to provide insurance coverage for treatments and therapies for individuals with Autism in Missouri.

In 2008, Commissioner Rupp gained national attention for his successful efforts to reform Missouri's outdated harassment and stalking laws, and for his leading role in the enactment of one of the toughest illegal immigration laws in the nation.

On a personal level, Commissioner Rupp enjoys spending time with his lovely wife, Carissa, his two children, Noelle and Scottie Jr., and three step children, Hayley, Emily & Christian.

Commissioner Rupp also volunteers his time on many local civic causes and is a board member of many organizations including the Foundation Board for Emmaus.

Commissioner Rupp is a member of the NARUC Telecommunications Standing Committee, as well as the NARUC committees on International Relations, Critical Infrastructure and the Washington Action Committee.





# KEY COMMISSION PERSONNEL

## Commissioners

Robert S. Kenney, Chairman .....	751-4132
Stephen M. Stoll, Commissioner .....	751-4221
William P. Kenney, Commissioner .....	751-7508
Daniel Y. Hall, Commissioner .....	751-3243
Scott T. Rupp, Commissioner .....	751-0946

## Administration and Regulatory Policy Division

Wess Henderson, Director .....	751-7435
Beth Oetting, Manager-Human Resources .....	751-5606
Robert Boone, Legislative Coordinator .....	522-8708
John Hanauer, Manager-Information Services .....	522-2453
EFIS Toll-Free Help Desk .....	1-866-365-0924
Gay Fred, Manager-Consumer Services .....	751-3160
Consumer Services Toll-Free Hotline .....	1-800-392-4211
Kevin Kelly, Public Information Administrator .....	751-9300
Gregg Ochoa, Public Information Coordinator .....	522-2760

## General Counsel Division

Joshua Harden, General Counsel .....	751-7504
Morris Woodruff, Secretary/Chief Regulatory Law Judge ..	751-2849
Kim Happy, Manager-Data Center .....	522-6225

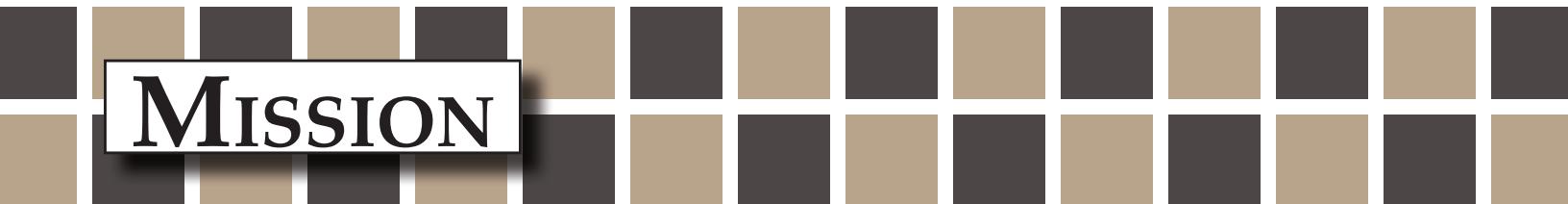
## Regulatory Review Division

Cherlyn Voss, Director .....	751-3966
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Natelle Dietrich, Director of Tariff, Safety, Economic & Engineering Analysis .....	751-7427
Bob Schallenberg, Director of Audits, Accounting & Financial Analysis .....	751-7162
John Van Eschen, Manager-Telecommunications .....	751-5525
Blake Eastwood, Manager-Manufactured Housing .....	526-2833
Manufactured Housing Toll-Free Hotline .....	1-800-819-3180
Jim Busch, Manager-Water & Sewer .....	751-7529
Dan Beck, Manager-Engineering Analysis Section ..	751-7522
John Rogers, Manager-Energy Resource Analysis Section .....	751-7524
Bob Leonberger, Manager-Safety/Engineering Section ..	751-3456
Tom Imhoff, Manager-Tariff/Rate Design Section ..	751-7471
Mike Scheperle, Manager-Economic Analysis Section ..	751-5054
David Murray, Manager-Financial Analysis .....	751-9160
Mark Oligschlaeger, Manager-Auditing ..	751-7443
David Sommerer, Manager-Procurement Analysis .....	751-4356
Lisa Kremer, Manager-Engineering & Management Services .....	751-7441

## Staff Counsel Division

Kevin Thompson, Chief Staff Counsel .....	751-6514
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# MISSION

## Jurisdiction and Goals

The Missouri Public Service Commission (Commission or PSC) was created in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. The Commission regulates investor-owned electric, natural gas, steam, water and sewer utilities in Missouri. The Commission also has limited jurisdiction over telecommunications providers in the state. In addition, the Commission regulates the operational safety of the state's rural electric cooperatives and municipally owned natural gas utilities. The Commission also regulates manufacturers and dealers of manufactured homes and modular units, and enforces initial home or unit installation.

The Commission oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives, municipally-owned electric utilities, investor-owned water and sewer utilities and public water supply districts. Under federal law, the Commission acts as a mediator and arbitrator of local telephone service disputes regarding interconnection agreements.

Virtually every Missouri citizen receives utility service, whether it is electric, natural gas, water, sewer or telecommunications, from a company regulated in some manner by the Commission. Utility services and infrastructure are essential to the economy of Missouri. They provide heating and cooling during extreme temperatures. They offer access to emergency services and vital information systems. They provide safe drinking water and ensure the environmentally sound disposal of wastewater. Because utilities fulfill these essential needs, the Commission must assure the rate paying public that quality services will be available on a nondiscriminatory basis at just and reasonable rates.

## Commissioners

The Commission consists of five commissioners who are appointed by the governor with the advice and consent of the Missouri Senate.

The governor designates one member as the chairman who serves in that capacity at the pleasure of the governor.

Commissioners are appointed to six-year terms. These terms are staggered so that no more than two terms expire in any given year.

The Commission is both quasi-judicial and quasi-legislative. The Commission is responsible for deciding cases brought before it and for the promulgation of administrative rules and enforcement. Many of the Commission's actions or decisions involve hearings of contested cases, which by statute must be transcribed by a court reporter. Hearings are held in a trial-like setting using evidentiary standards under the Missouri Administrative Procedures Act. The Commission must render decisions in a timely manner to afford all parties procedural and substantive due process, and to comply with statutory time limits.

## PSC Staff

The Commission is assisted by a staff of professionals in the fields of accounting, consumer affairs, economics, engineering, finance, law and management. Duties range from helping individual consumers with complaints to investigating multi-million dollar utility rate requests.

The PSC Staff participates as a party in all cases before the Commission, conducting audits of the books and records of utilities and making recommendations to the Commission. PSC Staff recommendations, like those filed by other parties to a proceeding, are evaluated by the commissioners in reaching a decision. The Commission has established standards for safety and quality of service to which companies must adhere. Routine and special investigations of utilities are conducted by the PSC Staff to ensure compliance.

## Weekly Agenda Meetings

The Commission holds weekly agenda meetings to discuss various cases, policies and rulemakings, and to issue its decisions. Those meetings are open to the public and are webcast on the Commission's website.

# ORGANIZATIONAL FUNCTIONS

## Administration and Regulatory Policy Division

**Wess Henderson, Director**

The Administration and Regulatory Policy Division is responsible for managing the Commission's human and fiscal resources. The division has agency-wide responsibilities with units that are responsible for the annual budget, fiscal services and procurement, human resources and payroll. The Regulatory Policy and Public Information Unit, another unit of the division, develops and distributes information to the media on agency activities, responds to media requests, and provides utility consumer education materials. The Legislative Coordinator, the agency's primary contact person with the General Assembly, is also assigned to this division and assists in responding to constituent inquiries. The division also houses the Consumer Services Unit, the clearinghouse for all utility consumer inquiries. Consumer Services investigates and responds to complaints to ensure compliance with Commission rules and utility tariffs. When a consumer has an issue that is not satisfactorily resolved after an initial contact with the utility, the consumer may call the Commission consumer hotline (1-800-392-4211) for assistance.



## General Counsel Division

**Joshua Harden, General Counsel**



The General Counsel is authorized by statute to represent the Commission in all actions and proceedings, whether arising under the Public Service Commission Law or otherwise. Attorneys in the General Counsel's Office appear in state and federal trial and appellate courts on behalf of the Commission. The General Counsel also provides legal advice to the Commission and each Commissioner as requested.

When authorized by the Commission, the General Counsel seeks civil penalties from persons or companies that have violated the Public Service Commission Law or the Commission's regulations or orders. Within the General Counsel Division, the Adjudication Department is the Commission's quasi-judicial component. A staff of regulatory judges handles cases from their filing until their resolution. The assigned judge presides over the hearings, rules on objections and motions, and drafts all orders, as directed by the Commission, for that particular case. The Secretary is statutorily responsible for the records of the Commission. The Data Center receives all incoming pleadings and issues all Commission orders. In addition, the Data Center maintains and preserves the official case files, tariffs and other official documents of the Commission.

Also within the General Counsel's Division is the Federal Issues/Policy Analysis Group. This group represents the Commission in various forums related to federal energy issues and also appears before the Federal Energy Regulatory Commission.

# ORGANIZATIONAL FUNCTIONS

## Regulatory Review Division

Cherlyn Voss, Director



The Director of Regulatory Review supervises and coordinates a number of PSC Staff functions including rate cases, complaints, tariff filings, certificate applications, rulemakings and investigatory dockets. The Tariff, Safety, Economic & Engineering Analysis Department and the Audits, Accounting & Financial Analysis Department are a part of the Regulatory Review Division.

## Natelle Dietrich Director of Tariff, Safety, Economic & Engineering Analysis

The Tariff, Safety, Economic & Engineering Analysis Department consists of four units: Energy, Telecommunications, Water and Sewer, and Manufactured Housing. These units support the Commission in meeting its statutory responsibilities by providing technical expertise in safety; utility rates, tariffs, rules and regulations; economic analysis; engineering oversight and investigations; and construction inspections. These units accomplish their mission by making

recommendations to the Commission in the form of expert testimony, formal recommendations and presentations.



## Robert Schallenberg Director of Audits, Accounting & Financial Analysis

The Audits, Accounting & Financial Analysis Department consists of five units which provide expertise to the Commission in the areas of utility accounting, auditing, engineering, finance, management and natural gas procurement. Staff members perform audits, examinations, analyses and review the books

and records of the utilities providing service in Missouri. These employees express their conclusions and findings in the form of expert testimony and recommendations that are filed with the Commission. These units are also responsible for investigating and responding to consumer complaints and making recommendations to the Commission regarding their resolution.



## Staff Counsel Division Kevin A. Thompson, Chief Staff Counsel

Attorneys of the Staff Counsel's Office represent the PSC Staff in administrative matters before the Commission. The Staff Counsel's Office also provides legal advice to the PSC Staff.



# REGULATORY ACTIVITY

## NATURAL GAS

### Laclede Gas Company/Missouri Gas Energy Merger (Case No. GM-2013-0254)

On January 14, 2013, Southern Union Company, d/b/a Missouri Gas Energy (MGE), The Laclede Group, Inc. and Laclede Gas Company (Laclede) filed a Joint Application for authority to sell certain Missouri assets to Laclede and, in connection therewith, certain other related transactions (sale) and Commission authority to obtain the funds necessary to finance the sale. Laclede will be the surviving entity after the sale.

On July 2, 2013, a Unanimous Stipulation and Agreement was filed in the case, and on July 17, 2013, the Commission approved it. The agreement set forth numerous conditions on the sale which included a rate moratorium on Laclede's service territory where no rate increase request could be filed prior to October 1, 2015. The agreement also included safeguards designed to protect customers of Laclede and MGE from any adverse impacts from the sale. As part of the agreement, Laclede agreed to maintain MGE's current tariffs and to formally adopt MGE's tariffs upon Commission approval of the sale. This transaction affects approximately 1.3 million Missouri customers.

On August 2, 2013, Laclede filed two tariff sheets requesting approval of its formal adoption notice and title sheet with an effective date of September 1, 2013, in compliance with the Commission's Order in Case No. GM-2013-0254. The Commission granted Laclede's request on August 26, 2013.

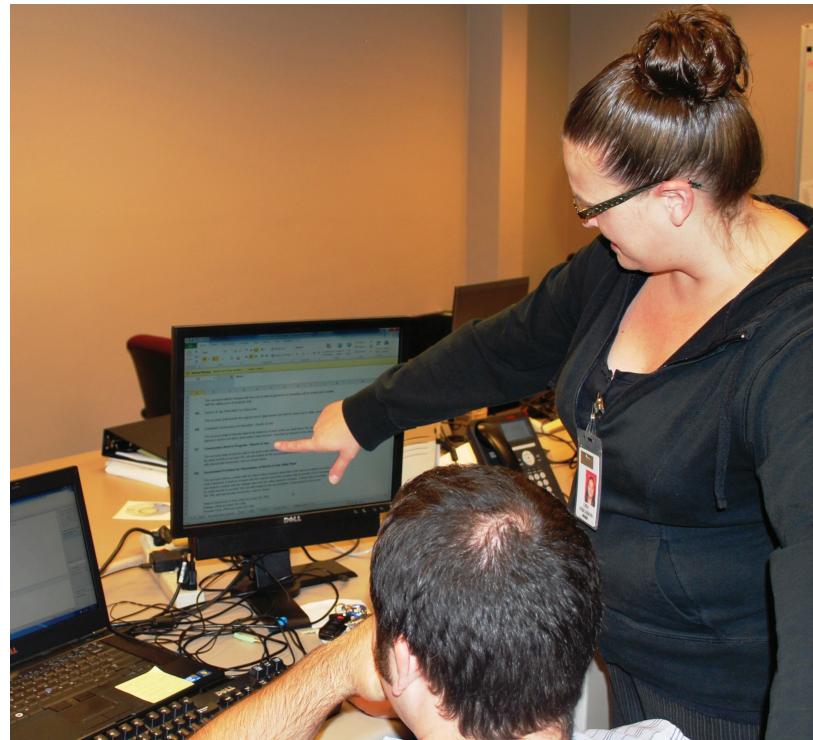
### Missouri Gas Energy/Laclede Gas Company (Case No. GR-2014-0007)

On September 16, 2013, Missouri Gas Energy/Laclede Gas Company (MGE) filed revised rate schedules designed to increase MGE's annual natural gas revenues by approximately \$23.4 million including amounts currently being recovered by MGE through its Infrastructure Replacement Surcharge (ISRS). MGE stated that the proposed increase was needed to cover increased costs relating to certain operating expenses and ISRS related investments due to the ISRS statute. This included amendments to the school aggregation program, incorporating a gas supply incentive program and the establishment of energy efficiency programs.

A Stipulation and Agreement between the parties, filed on April 11, 2014, resulted in a slight rate decrease with the ISRS amount of approximately \$8.1 million already included in customer bills reduced to \$7.8 million to be reflected in the volumetric rate while resetting the ISRS charge to \$0.00. The Stipulation and Agreement maintained Laclede's current funding levels for low-income programs. The rate changes went into effect on May 1, 2014.

### Summit Natural Gas of Missouri Gas, Inc. (Case No. GR-2014-0086)

On January 2, 2014, Summit Natural Gas of Missouri, Inc. (SNG) filed revised rate schedules designed to increase SNG's



annual revenues by approximately \$7.5 million. SNG stated that the proposed increase was needed to cover increased operating expenses and the construction of new service facilities. Formal evidentiary hearings in this case were held in August. The operation of law date for this case is December 2, 2014.

### Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (Case No. GR-2014-0152)

On February 6, 2014, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (Liberty) filed a rate case designed to increase Liberty's annual revenues by approximately \$7.6 million including amounts currently being recovered by Liberty through its Infrastructure Replacement Surcharge (ISRS). Liberty stated that the proposed increases were needed to cover increased costs relating to certain operating expenses, construction of new gas service facilities and return requirements on rate base. Formal evidentiary hearings were held in September. The operation of law date for this case is January 4, 2015.

### Incident Investigation Laclede Gas Company (Case No. GS-2014-0226)

On February 5, 2014, a natural gas explosion and resulting fire destroyed the office of the Stars Design Group at 2222 Menard Street in the Soulard neighborhood of St. Louis, Missouri. No fatalities or serious injuries occurred as a result of this event. Property damage estimates totaled approximately \$850,000.

Safety/Engineering Staff was dispatched to the scene of the explosion to begin its investigation on the day of the

# REGULATORY ACTIVITY

incident. While on-site, Staff conducted interviews with witnesses and made observations of the repairs to damaged natural gas piping. In the days and months following the event, Staff gathered information from the St. Louis Police Department, the St. Louis Fire Department, Laclede Gas Company, and other sources.

Safety/Engineering Staff have completed the data collection phase of the investigation and are continuing work

on the final Gas Incident Report. Compliance with Commission regulations and State safety standards will be the focus of the Staff's analysis of the facts surrounding the incident. When completed, the Gas Incident Report will contain a detailed examination of the events leading up to and following the explosion on Menard Street as well as Staff's conclusions and any necessary recommendations.



## Incident Investigation Missouri Gas Energy (MGE) (Case Nos. GS-2013-0400 and GC-2014-0216)

On February 19, 2013, there was a natural gas explosion and fire at JJ's Restaurant located at West 48th Street and Bellevue Avenue in Kansas City, Missouri. The explosion and fire resulted in one fatality, several serious injuries and millions of dollars in damage.

On February 6, 2014, Safety/Engineering Staff filed its Gas Incident Report explaining in detail the facts of the incident, as well as Staff's analysis, conclusions, and recommendations. Staff is currently engaged in discussions with MGE regarding Staff's proposed recommendations that were contained in the Report. Staff also filed a complaint against MGE on February 6, 2014, describing alleged violations of natural gas regulations regarding leak investigations prior to the explosion and fire that occurred on February 19, 2013.

## Natural Gas Pipeline Safety Program

The Commission has jurisdiction over all intrastate natural gas pipeline operators in the state which includes five intrastate transmission pipelines, five investor-owned natural gas distribution utilities (all of which also have intrastate transmission pipelines and all of which have multiple operating districts/inspection units), 41 municipally-owned natural gas distribution systems (one of which also has an intrastate transmission pipeline), one gas distribution system owned and operated by a private company on a U.S. Department of Defense facility at Fort Leonard Wood, and

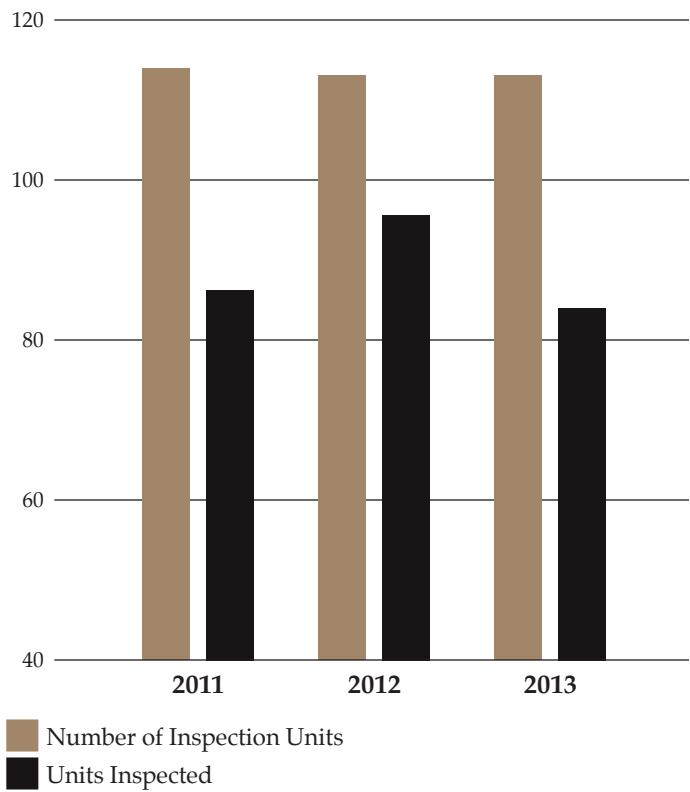
three pipeline systems that supply landfill gas directly to customers including a high school, a correctional facility gas-fired electric generation turbine and a commercial customer.

PSC Safety/Engineering Staff are in the field throughout the year evaluating these pipeline systems. During the 2013 calendar year, Safety/Engineering Staff conducted 83 comprehensive office and field inspections, follow-up inspections, construction inspections and other investigations. These inspections/investigations resulted in Safety/Engineering Staff being in the field over 604 inspection-person days.

The Commission's natural gas pipeline safety program is carried out under a cooperative agreement with the U. S. Department of Transportation – Pipeline and Hazardous Materials Safety Administration. As a part of this program, the Commission has adopted the applicable federal pipeline safety regulations, including 49 CFR Part 192, that make up the "minimum" federal safety standards applicable to natural gas pipelines.

The Commission continues to take a proactive approach to pipeline safety in Missouri with pipeline safety rules, which are in many cases, more stringent than current federal regulations. This approach includes looking at and extensively evaluating various pipeline replacement programs, leak

## Missouri Jurisdictional Natural Gas Operator Inspection Units — Gas Safety



# REGULATORY ACTIVITY

survey inspections, leak investigations and classifications, corrosion control of steel pipelines, and other pipeline safety programs.

Intrastate natural gas pipeline operators are divided into 113 "inspection units" for purposes of the Program's annual comprehensive inspections, which include almost 30,000 miles of natural gas distribution mains, approximately 1,000 miles of intrastate natural gas transmission pipelines and over 1.5 million service lines.

## Procurement Analysis

### Natural Gas ACA Activities

The Procurement Analysis Unit conducts an annual Actual Cost Adjustment (ACA) review at the end of each ACA period for each natural gas local distribution company (LDC). A primary purpose of the ACA process is to reconcile the company's actual gas costs with what it charged customers (its billed revenues).

In its purchased gas adjustment (PGA) filings, the Company estimates its gas costs for the upcoming year. In the ACA, the estimate is reconciled with the actual prudently incurred cost of gas. In this function, the Procurement Analysis staff reviews the LDC's true-up of gas costs for the period under review. A comparison of billed revenue recovery with actual gas costs will normally yield either an over-recovery or under-recovery of the ACA balances.

Another purpose of the ACA process is to examine the prudence of the LDC's gas purchasing and operating decisions. For its analysis, the PSC staff reviews the estimated peak day requirements and the capacity levels to meet those requirements; peak day reserve margin and the rationale for this reserve margin; natural gas supply plans for various weather conditions; and hedging for the ACA period.

Staff will consider the financial impact on customers of the LDC's use of its gas supply, transportation and storage contracts in light of the conditions and information available when the operational decisions were made.

The Procurement Analysis Unit, in conjunction with other PSC staff, held discussions with the LDCs regarding their hedging activities for the 2013/2014 winter. These discussions were held to inquire as to whether the LDCs were taking actions to mitigate the effects of potential winter price spikes on their price of gas.

### Other Proceedings

Although focused largely on natural gas ACA activities, Procurement Analysis, because of its knowledge of natural gas issues, assisted in the review of LDC complaint cases, merger cases, proposed tariff changes, natural gas rate cases, hedging workshops and certificate cases. Procurement Analysis also assisted in the review of affiliated transactions that impacted the recovery of gas costs.

Procurement Analysis also monitors conditions in the natural gas markets and provides a monthly market report.

This past winter's cold weather caused prices to spike. Otherwise since early 2010, a period of relatively stable prices has prevailed. These relatively stable prices have been attributed to increased shale supplies among other factors.



## Federal Natural Gas Activities

The Federal Energy Regulatory Commission (FERC) regulates interstate natural gas pipeline companies and their decisions directly affect Missouri natural gas consumers. The PSC actively participates at FERC in company specific and generic proceedings, focusing on those pipelines having the greatest impact on Missouri consumers and/or those where representation of Missouri interests is otherwise limited or absent. The PSC strives to ensure that Missouri consumers receive reliable natural gas transportation service at reasonable rates.

Missouri's LDCs, including both natural gas utilities and electric utilities that generate energy with natural gas powered combustion turbines, must rely on FERC regulated interstate pipelines for storage and delivery of their natural gas supplies. Currently 11 interstate pipelines physically located within the boundaries of the state of Missouri are able to serve Missouri utility companies, with an additional 4-6 upstream pipelines providing transportation and, in some cases, natural gas storage service.

Three pipelines deliver the majority of the state's natural gas to Missouri LDCs: Panhandle Eastern Pipe Line Company, LP (Panhandle), Southern Star Central Gas Pipeline Inc. (Southern Star) and Enable Mississippi River Transmission Corporation, LLC (MRT).

Southern Star has several pipelines that serve the Kansas City, St. Joseph, Springfield and Joplin areas as well as a small lateral terminating in St. Louis. Panhandle serves Kansas



# REGULATORY ACTIVITY

City, central Missouri and St. Louis. MRT serves St. Louis and portions of southeast Missouri. In addition, Natural Gas Pipeline Company of America (NGPL), Ozark Gas Transmission, LLC, and Texas Eastern Transmission serve southeastern Missouri; Tallgrass Interstate Gas Transmission, LLC, and KPC Pipeline, LLC, serve the Kansas City area; ANR Pipeline Company serves northern Missouri and MoGas Pipeline serves from St. Louis to Rolla. Rockies Express Pipeline, LLC, also crosses the state of Missouri.

## Unit Focus during the 2014 Fiscal Year

### Southern Star Central Gas Pipeline

On May 31, 2013, Southern Star filed a rate case at FERC (Docket No. RP13-941) proposing a \$95.2 million rate increase. The filing asked for rates based upon a \$302.4 million annual cost of service. Much of the rate increase resulted from over \$130 million in plant additions. Since its last rate case in 2008, Southern Star has undergone an extensive pipeline replacement and remediation plan.

The PSC filed a protest and participated with other parties in the case leading to a settlement that was approved by FERC on June 18, 2014. The negotiated settlement reduced the rate increase to \$57.5 million saving Southern Star customers in Missouri and Kansas \$37.7 million annually.

Southern Star has filed at FERC for approval to complete improvement/expansion projects at its Kansas natural gas storage fields in recent years. The migration of natural gas out of Southern Star's storage fields and the alleged venting of natural gas from oil wells adjacent to the storage fields have contributed to increased fuel losses over time. Southern Star's improvements and expansions at the natural gas storage fields have helped reduce the amount of fuel lost from these fields, resulting in reduced costs to Missouri consumers. The PSC has intervened in these cases.

Over the last several years, Southern Star has filed cases at FERC for approval to replace sections of 12-inch pipe with 20-inch pipe in Johnson County, Missouri. These sections of pipeline were originally placed into service in the 1930s. Southern Star filed for FERC approval to complete the last phase of its replacement program during 2014 (Docket No. CP14-530). The PSC has intervened in these cases to monitor construction activities and any landowner complaints. Pipeline expansions in Johnson County, Missouri, have increased Southern Star's capacity to serve Missouri customers.

### MoGas Pipeline LLC

The PSC successfully challenged FERC's decision to refuse to determine whether an acquisition premium had been included in the rate base of MoGas Pipeline through its appeal to the United States Court of Appeals for the District of Columbia (D.C. Circuit) (Docket No. 09-1121). The D.C.

Circuit vacated and remanded FERC's decision on April 13, 2010. In August 2011, a FERC hearing resulted from the remand. FERC issued a final decision on March 21, 2013, that affirmed an acquisition premium was included in MoGas' rate base but, in the same decision, determined that MoGas could still include it in its rates. The acquisition premium increases rates by over \$1 million annually.

The PSC has challenged FERC's decision to allow the inclusion of the MoGas acquisition premium in rates. Briefs have been filed with the D.C. Circuit (Docket No. 13-1278) and a decision is expected by Spring, 2015.

### Fuel Tracker Cases

The PSC has intervened in a number of fuel and lost-and-unaccounted-for-gas (LUFG) cases in which interstate pipelines have filed to change their LUFG rates. LUFG rates are recovered through in-kind gas from shippers. Shippers on a given interstate pipeline are required to put gas into the pipeline system for the pipeline's use. Interstate pipelines typically use this gas in two ways: to fuel compressor stations and to replace gas that the pipeline loses in the transportation process. Gas may be lost from a pipeline in several ways including leakage or during repair and maintenance of the pipeline. FERC allows pipelines to adjust LUFG rates based upon the actual natural gas usage or fuel loss the pipeline has experienced during the last annual period. The majority of these fuel and LUFG rate filings are accepted and approved by FERC without issue. The PSC has intervened and filed comments or a protest in cases where proposed LUFG rates did not appear just and reasonable. The PSC has been successful in reducing proposed fuel and LUFG rates over time to the benefit of Missouri customers.

The PSC's comments in Southern Star's FERC Docket No. RP14-555 this year led to a reduction in the LUFG rate to be charged to shippers. The PSC's comments led to costs associated with incidents on the Southern Star pipeline reported to the U.S. Department of Transportation not being included in the determination of the fuel and LUFG rate. FERC had previously held that "fuel tracking mechanisms are appropriate for normal operating costs but are not appropriate for the recovery of gas losses outside the scope of normal pipeline operations."

### Interstate Pipeline Abandonments and Expansions

Interstate natural gas pipelines are experiencing changes throughout the country. The increase of shale gas production in the northeast and south central United States has led to lower natural gas prices and increased demand from industry and electric generators. The increased demand in natural gas has led to interstate natural gas pipeline expansion projects to meet new and existing customer needs. Rockies Express Pipeline has asked FERC for approval to change the directional flow of its pipeline to transport Marcellus shale gas from east to west. Rockies Express Pipeline crosses Missouri and interconnects with Panhandle Eastern near Mexico, Missouri, in Audrain County.



# REGULATORY ACTIVITY

A recent trend in the interstate natural gas pipeline industry has been the abandonment of pipelines transporting natural gas. The reduction of traditional natural gas production in the Rocky Mountains and Gulf of Mexico has led natural gas pipelines transporting natural gas from these production fields to transporting other petroleum products. The economic decision to convert interstate natural gas pipelines into pipelines transporting other products has led two pipelines that provide natural gas transport to some Missouri LDCs to file at FERC. Tallgrass Interstate Gas Transmission and Trunkline Gas Company have requested leave to abandon a portion of their natural gas pipelines to be converted to transport other petroleum products. Because of the multiple pipeline options for transporting natural gas to Missouri LDCs, the abandonment of these pipelines will not have a negative impact that cannot be overcome through contracting for transportation with other pipelines.

## FERC Actions to Improve Gas Electric Coordination

On March 20, 2014, FERC filed an Order to Show Cause (Docket No. RP14-442) requiring all interstate pipelines to submit filings to the Commission either revising their respective tariffs to provide for the posting of offers to purchase released capacity or otherwise demonstrate that they were in full compliance with 18 C.F.R. §284.8(d). The PSC intervened in the case and reviewed the related tariff filings of interstate pipelines passing through Missouri.

FERC filed a proposed rulemaking (Docket No. RM14-2) on the same day to revise its regulations at §284.12 to better coordinate the scheduling of natural gas and electricity markets in light of increased reliance on natural gas for electric generation, as well as to provide additional flexibility to all shippers on interstate natural gas pipelines. FERC also filed orders to initiate investigations into independent system operator (ISO) and regional transmission operator (RTO) scheduling practices and establishing paper hearing procedures. All of these cases were related in part to

incidents that occurred throughout the electric and natural gas pipeline industries during the winter vortex and extreme cold weather of January through March 2014. The PSC continues to participate and monitor discussions on this topic within both the electric and natural gas pipeline industries.

The PSC continues to participate in discussions about options to provide adequate natural gas transportation to meet the needs of current and future natural gas electric generation in Missouri. Interstate pipelines that cross through Missouri and RTOs, the Southwest Power Pool (SPP) and Midcontinent Independent System Operator (MISO) and their members, also actively participate. Both SPP and MISO have committees reviewing the impact environmental rules may have in changes in electric generation throughout the central United States. FERC has also held technical conferences to discuss these issues and the PSC has participated and analyzed the data from these conferences.

The January 2014 "polar vortex" and additional extreme winter weather in March were managed by interstate natural gas pipelines and natural gas LDCs without any major incidents in Missouri. During high demand periods, interstate natural gas pipelines require that customers carefully monitor both the purchases of natural gas they place on the pipeline and the amount that they take off or use. The continual monitoring of the pipelines assures that the pipeline works to its optimum capacity when needed by customers. Missouri LDCs carefully monitor on a 24/7 basis the natural gas needs of their customers and work with the interstate natural gas pipelines to maintain the integrity of both the LDC and interstate natural gas pipeline systems. Most natural gas LDCs in Missouri utilize natural gas storage options available through the interstate natural gas pipelines to help support natural gas purchases during winter weather. The PSC continually monitors pipelines for any issues that might impact Missouri customers.



## Rate Cases Decided During the 2014 Fiscal Year

Date of Order	Case No.	Company	Rate Request	PSC Decision
4/23/14	GR-2014-0007	Missouri Gas Energy*	\$23.4 million	\$7.8 million (1)

\*An operating division of Laclede Gas Company

(1) Commission approved agreement reached among parties in the case.

# REGULATORY ACTIVITY

## ELECTRIC AND STEAM Complaint Cases

### Noranda Aluminum, Inc., et al vs Ameren Missouri (Case No. EC-2014-0224)

On February 12, 2014, Noranda Aluminum, Inc., and 37 other individual customers (Noranda) filed a complaint with the Commission against Ameren Missouri, asking that Ameren Missouri be required to create a new service classification for aluminum smelters which would reduce rates for Noranda. The complaint concerns the rate Ameren Missouri currently charges Noranda for electricity and electrical service that Ameren Missouri sells to Noranda. In this complaint, Noranda submitted a proposal that it stated would keep it viable and sustainable.

Noranda's request is founded on three contentions: 1) Noranda's aluminum smelter is crucial to Missouri's economy; 2) the smelter cannot be sustained without the rate relief requested; and 3) all Ameren Missouri ratepayers will directly benefit from the relief requested because granting that relief is more beneficial compared to Noranda leaving the Ameren Missouri system.

On August 20, 2014, the Commission issued its Report and Order stating that while there is substantial evidence in the record regarding the impact of the smelter on Southeast Missouri and on the State, the evidence does not support the second and third of Complainants' contentions. The Commission found that the Complainants failed to carry their burden to show that Ameren Missouri's rate design should be modified, contrary to traditional cost-of-service principles, in order to give a reduced rate to Noranda; therefore, the complaint was denied and dismissed.

### Noranda Aluminum, Inc., et al vs Ameren Missouri (Case No. EC-2014-0223)

On February 12, 2014, Noranda Aluminum, Inc., and 37 other individual customers of Ameren Missouri filed a complaint with the Commission against Ameren Missouri, alleging that Ameren Missouri is earning in excess of its authorized return on equity. The complaint asks the Commission to review Ameren Missouri's rates and to revise those rates to just and reasonable levels.

## Rate Cases Decided

### Veolia Energy Kansas City, Inc. (Case No. HR-2014-0066)

On November 27, 2013, Veolia Energy Kansas City, Inc. (Veolia Kansas City), filed tariffs with the Commission designed to increase annual steam revenues by approximately \$1.0 million, a request for an expanded tariff zone in downtown Kansas City, and numerous new rate schedules.

On June 25, 2014, Veolia Kansas City and other parties filed a Non-Unanimous Stipulation and Agreement (Agreement) in the steam case. Because no party objected to the Agreement

or requested a hearing, the Agreement became a unanimous stipulation and agreement.

The Agreement approved an increase in Veolia Kansas City's overall Missouri jurisdictional gross annual steam revenues of \$1.0 million (14.1%), effective August 1, 2014.

The Agreement also addressed Veolia Kansas City's request for a certificate of convenience and necessity (CCN) for expanding its operations into new service areas.

## Rate Cases Filed

### Ameren Missouri (Case No. ER-2014-0258)

On July 3, 2014, Ameren Missouri filed an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$264.1 million (9.65%). According to Ameren Missouri, the rate request is driven by several factors, including:

- Continued investment in the company's generation and energy delivery systems, including large investments in environmental controls at the company's Labadie Energy Center and a new reactor vessel head at the company's Callaway Energy Center.
- Escalating net energy costs.
- The recovery of solar rebates.
- Recovery of the revenue requirement associated with the company's new O'Fallon Solar Energy Center.

Hearings on the rate request are scheduled to begin in late February, 2015.

### The Empire District Electric Company (Case No. ER-2014-0351)

On August 29, 2014, The Empire District Electric Company (Empire) filed an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$24.3 million (5.5%). According to Empire's filing, the most significant factor driving the need for a rate increase are costs associated with the installation of the Air Quality Control System (AQCS) at the Asbury Power Plant. Additional factors include increased operating costs; a new maintenance contract covering the Riverton 12 gas-fired generating unit; an increase in Regional Transmission Organization charges; and increases in property taxes.

Empire is also seeking to continue the use of the Fuel Adjustment Clause (FAC). The continuation of the FAC will allow Empire to adjust customers' bills twice each year (June 1 and December 1), based on the varying costs of fuel used to generate electricity at Empire's generating units and electric energy Empire purchases on behalf of its customers.

### Renewable Energy Standard Rate Adjustment Mechanism (RESRAM)

### KCP&L Greater Missouri Operations Company (Case No. EO-2014-0151)

On April 10, 2014, KCP&L Greater Missouri Operations Company (GMO) filed an Application to implement and

# REGULATORY ACTIVITY

establish a Renewable Energy Standard Rate Adjustment Mechanism (RESRAM) on customer bills.

GMO's application seeks to establish a RESRAM to recover costs to comply with the Renewable Energy Standard (RES) law and GMO's RESRAM tariffs which provide a recovery mechanism for the RES costs incurred. The Missouri Statute was approved by a statewide voter referendum in 2008 known as Proposition C. The statute establishes renewable energy standards for Missouri investor-owned electric utilities.

## Renewable Energy Standard and Solar Rebates

Although Missouri continues to implement the renewable energy standard (RES) that was the result of the November 2008 voter initiative, significant revisions to the RES occurred effective August 28, 2013 as a result HB 142, which Governor Jay Nixon signed on July 3, 2013. Revisions to the renewable energy standard included the phase-out of solar rebates by July 1, 2020; the requirement that the electric utility receive all solar renewable energy credits (SRECs) for a period of ten years as a condition of customer's receiving a solar rebate; and the implementation of a 60-day process for the Commission to determine if the maximum average retail rate increase limitation included in the RES has been reached by an electric utility, resulting in the solar rebates being suspended.

Ameren Missouri, KCPL and GMO filed revisions to their tariffs, which were subsequently approved by the Commission, to reflect the changes due to HB 142. To modify the Commission's RES rule to also reflect HB 142, Case No. EW-2014-0092 was opened, comments were filed by various stakeholders, and three workshops were held between January 2014 and April 2014. On May 28, 2014, Case No. EX-2014-0352 was opened to begin the formal rulemaking process using a draft rule developed by the Commission Staff with significant input from the stakeholder process and workshops.

GMO, KCPL and Ameren Missouri filed to suspend solar rebates for the remainder of calendar year 2013 (Case Nos. ET-2014-0059, ET-2014-0071, and ET-2014-0085, respectively). Parties subsequently agreed to stipulation and agreements that modified the solar rebate application process to provide customer assurances solar rebates would be received prior to construction, if funds were available.

The stipulation and agreements also determined the amount of funds that would be available for solar rebates by allocating \$50 million for GMO, \$36.5 million for KCPL and \$91.9 million for Ameren Missouri. Due to meeting the solar rebate allocations, GMO filed to suspend solar rebates in Case No. ET-2014-0277 and Ameren Missouri filed to suspend solar rebates in Case No. ET-2014-0350. The Commission subsequently granted those requests.

Calendar year 2013 marked the third year that electric utilities were required to meet annual generation requirements. Beginning January 1, 2014, the annual requirements increased from 2% of retail sales to 5% of retail sales. The electric utilities file annual RES compliance reports that describe how each utility complied with the RES rule and their plan to comply for the next three years.

RESIDENTIAL		
State Name	Avg. Revenue (cents/kWh)	State Rank
Washington	8.72	1
North Dakota	8.92	2
Arkansas	9.13	3
Oklahoma	9.72	7
Nebraska	9.82	8
Kentucky	9.99	9
<b>Missouri</b>	<b>10.22</b>	<b>13</b>
Tennessee	10.33	15
Illinois	10.93	18
Iowa	10.98	19
Kansas	11.86	26
<b>U.S. Average</b>	<b>12.92</b>	
Connecticut	19.46	49
New York	20.54	50
Hawaii	37.96	51

COMMERCIAL		
State Name	Avg. Revenue (cents/kWh)	State Rank
Idaho	7.64	1
Oklahoma	7.81	2
Arkansas	7.88	3
Washington	7.95	4
Nebraska	8.52	9
Iowa	8.53	10
<b>Missouri</b>	<b>8.57</b>	<b>11</b>
Illinois	8.69	14
Kentucky	9.37	19
Indiana	9.72	24
Kansas	9.86	26
Tennessee	10.48	33
<b>U.S. Average</b>	<b>11.00</b>	
New York	16.21	49
Alaska	16.99	50
Hawaii	34.88	51

INDUSTRIAL		
State Name	Avg. Revenue (cents/kWh)	State Rank
Washington	4.24	1
Montana	5.43	2
Oklahoma	5.51	3
Iowa	5.64	4
Arkansas	5.77	5
Kentucky	5.80	6
<b>Missouri</b>	<b>5.97</b>	<b>8</b>
Illinois	6.39	17
Tennessee	6.51	20
Indiana	6.80	27
Nebraska	7.22	31
Kansas	7.35	32
<b>U.S. Average</b>	<b>8.15</b>	
Rhode Island	13.09	49
Alaska	15.60	50
Hawaii	30.75	51

Source: U.S. Energy Information Administration - 12 months ending June 2014 - Table 5.6.b

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In the 2013 filings, the utilities represented that they met the generation requirements with renewable energy credits (RECs) from wind, hydro and landfill gas facilities that are owned by the utility or from facilities that the utility purchased electricity to serve their customers. The filings also represented that most of the solar requirements were being met with SRECs purchased from facilities in other states that do not serve Missouri customers. SRECs received by the electric utilities as a result of HB142 would mean that most of the SRECs in the future will come from Missouri.

## Ameren Missouri Certificate of Convenience and Necessity (Case No. EA-2014-0136)

Ameren Missouri filed an application with the Commission seeking Commission authority to build a 5.7 megawatt direct current photovoltaic solar generating facility. The Commission approved a stipulation and agreement in this case effective April 18, 2014.

The solar facility is scheduled to be operational by December 2014 and will be the largest solar facility in Missouri.

## Ameren Missouri Certificate of Convenience and Necessity (Case No. EA-2012-0281)

On January 24, 2013, Ameren Missouri applied for a certificate of convenience and necessity seeking Commission authority to expand the boundaries of its Labadie Energy Center so that it can construct and operate a utility waste landfill and conduct other plant-related operations at the site. Parties in the case filed multiple rounds of testimony and the Commission held two local public hearings to receive testimony from interested members of the public.



An evidentiary hearing was held in March and April 2014. On July 2, 2014, the Commission granted Ameren Missouri a certificate of convenience and necessity conditioned upon Ameren Missouri having obtained all necessary construction and land disturbance permits from the Missouri Department of Natural Resources.

## Entergy Arkansas, Inc., ITC Midsouth, LLC, MidSouth TransCo, LLC, Transmission Company Arkansas, LLC (Case No. EO-2013-0396)

### Entergy Arkansas, Inc. (Case NO. EO-2013-0431)

On February 14, 2013, Entergy Arkansas, Inc., (EA) ITC Midsouth, LLC, MidSouth TransCo, LLC, Transmission Company Arkansas, LLC (collectively, Joint Applicants) filed an application outlining a series of steps which will result in the transmission assets of EA being transferred to an independent transmission company (Case No. EO-2013-0396). EA does not serve any retail customers in Missouri. On December 13, 2013, the Joint Applicants filed a motion stating they wished to dismiss the application because the proposed transaction was no longer moving forward. The Commission granted leave to dismiss the application on December 24, 2013.

On March 21, 2013, EA filed its Notification of Intent to Change Functional Control of its Missouri Electric Transmission Facilities to the Midcontinent Independent Transmission System Operator (MISO) or Alternative Request to Change Functional Control and Motions for Waiver and Expedited Treatment.

The two cases were consolidated and a hearing was held in June 2013. On November 26, 2013, the Commission issued its Report and Order approving EA's migration of its Missouri assets into MISO and requiring an annual report on its participation in MISO.

## Grain Belt Express Clean Line LLC (Case No. EA-2014-0207)

On March 26, 2014, Grain Belt Express Clean Line LLC (Grain Belt Express) submitted an application for a certificate of convenience and necessity authorizing it to construct, own, operate, control, manage, and maintain electric transmission facilities within Buchanan, Clinton, Caldwell, Carroll, Chariton, Randolph, Monroe and Ralls Counties, Missouri, as well as an associated converter station in Ralls County, and waiving certain Commission rules.

The application states that approximately 206 miles of a high voltage, direct current (HVDC) transmission line will be built from Kansas into Missouri, Illinois and Indiana, with a converter station in Ralls County and alternating current (AC) interconnecting facilities, to deliver "low-cost, wind-generated energy from western Kansas to load and population centers in Missouri, Illinois, Indiana and other states in the region". Local public hearings in each of the counties are scheduled for August and September 2014. An evidentiary hearing is scheduled for November 2014.

# REGULATORY ACTIVITY

## Other Electric Utility Activity

### Fuel and Purchase Power Prudence Reviews

Three investor-owned electric utilities - Ameren Missouri, The Empire District Electric Company (Empire) and KCP&L Greater Missouri Operations (KCP&L GMO) - have Commission-approved fuel adjustment clauses (FAC) through which the electric utility recovers from or refunds to customers 95 percent of fuel and purchased power costs, net of off-system sales, which have been under-collected or over-collected relative to a base amount set in the utility's last general rate case.

In fiscal year 2014, Staff completed prudence reviews of fuel and purchased power related costs included in the fuel adjustment clauses of Ameren Missouri and Empire. Staff investigated each utility to determine whether the conduct of the company's decision-makers was reasonable at the time, under all the circumstances, considering that the company had to solve its problem prospectively rather than relying on hindsight. As a result of these prudence reviews, Staff found no imprudence by the decision-makers of Ameren Missouri or Empire.

### Electric Utility Resource Planning Filings

The fundamental objective of the Chapter 22 Electric Utility Resource Planning process is to provide the public with energy services that are safe, reliable, and efficient, at just and reasonable rates, in compliance with all legal mandates, and in a manner that serves the public interest and is consistent with state energy and environmental policies. The fundamental objective also requires that the utility consider and analyze demand-side resources, renewable energy, and supply-side resources on an equivalent basis, subject to compliance with all legal mandates that may affect the selection of utility electric energy resources, in the resource planning process. Further, Chapter 22 requires that electric utilities file on April 1 of each year either a triennial compliance filing or an annual update filing. Ameren Missouri requested and received approval of a variance from the requirement to make a triennial compliance filing by April 1, 2014. The Commission ordered Ameren Missouri to file its 2014 triennial compliance filing on October 1, 2014. (Case No. EE-2013-0312)

On March 20, 2014, Kansas City Power & Light Company (KCPL) and KCP&L GMO filed their Chapter 22 annual update report. Comments were filed by the Sierra Club and the Division of Energy on May 21, 2014, in the respective annual update files. (Case Nos. EO-2014-0256 and EO-2014-0257, respectively)

On March 11, 2014, Empire filed its Chapter 22 annual update report. Comments on Empire's 2014 annual update report were filed by the Division of Energy on May 21, 2014. (Case No. EO-2014-0243)

### Missouri Energy Efficiency Investment Act

The Missouri Energy Efficiency Investment Act (MEEIA) was passed by the Missouri legislature and signed by Governor Nixon in August 2009. The purpose of this act was to encourage investor-owned electric utilities to develop and implement demand-side management (DSM) programs. Rules to implement MEEIA became effective May 30, 2011. The rules provide procedures for filing and processing applications for approval, modification and discontinuance of electric utility demand-side programs and for the establishment and operation of demand-side programs investment mechanisms (DSIM), and also allow for periodic adjustments in customer rates between general rate cases related to the recovery of costs and utility incentives for investments in demand-side programs. Ameren Missouri and KCP&L GMO have had MEEIA programs since January 2013.

KCPL's MEEIA filing, filed on January 7, 2014, requested approval of demand-side programs and a DSIM. A non-unanimous stipulation and agreement was filed on May 27, 2014, and approved by the Commission on June 5, 2014. Implementation of 12 programs began July 6, 2014, and will end on December 31, 2015. A demand-side program investment mechanism (rider) was also implemented on July 6, 2014, which will allow recovery of demand-side program costs, recovery of fixed operating costs and will allow the Company to earn a future performance incentive award based on after-the-fact verified energy and demand savings from the programs. (Case No. EO-2014-0095)



# REGULATORY ACTIVITY

## ELECTRIC STATISTICS Calendar Year 2013 (Missouri Jurisdictional)

Company Name	Operating Revenues	MWhs Sold	Residential Customers	Total Customers
Empire District Electric Co.	\$ 435,818,682	4,085,362	124,585	149,175
Kansas City Power & Light Co.	\$ 753,809,910	8,562,163	239,108	271,314
KCP&L-GMO-L&P	\$ 194,566,490	2,173,773	57,842	65,656
KCP&L-GMO-MPS	\$ 566,959,241	6,006,008	218,036	249,250
Ameren Missouri (1)	<u>\$3,007,508,595</u>	<u>37,030,285</u>	<u>1,038,936</u>	<u>1,197,295</u>
<b>Totals:</b>	<b>\$4,958,662,918</b>	<b>57,857,591</b>	<b>1,678,507</b>	<b>1,932,690</b>

Source: MoPSC FERC Form 1, 2013 Annual Reports (Missouri Jurisdictional)

(1) Union Electric Company d/b/a Ameren Missouri

## STEAM STATISTICS Calendar Year 2013 (Missouri Jurisdictional)

Company Name	Operating Revenues	MMBtus Sold	Residential Customers	Total Customers
KCP&L-GMO	\$19,788,449	2,666,373	0	5
Veolia Energy Kansas City, Inc.	<u>\$19,640,442</u>	<u>1,741,629</u>	<u>0</u>	<u>56</u>
<b>Totals:</b>	<b>\$ 39,428,891</b>	<b>4,408,002</b>	<b>0</b>	<b>61</b>

Source: 2013 Annual Report

## NATURAL GAS STATISTICS Calendar Year 2013 (Missouri Jurisdictional)

Company Name	Operating Revenues	Mcfs Sold	Residential Customers	Total Customers
Liberty Utilities	\$ 51,494,855	8,525,127	47,682	54,601
Empire District Gas Co.	\$ 49,625,530	8,728,441	37,777	43,211
Laclede Gas Company	\$ 758,609,423	109,018,871	602,410	643,201
Missouri Gas Energy (1)	\$ 529,083,262	76,911,442	440,372	503,037
Missouri Gas Utility, Inc. (2)	\$ 5,084,894	458,066	3,577	3,699
Southern Missouri Natural Gas (3)	\$ 19,634,640	2,402,777	5,109	11,440
Ameren Missouri (4)	<u>\$ 153,291,668</u>	<u>19,016,140</u>	<u>114,019</u>	<u>127,322</u>
<b>Totals:</b>	<b>\$1,566,824,272</b>	<b>225,060,864</b>	<b>1,250,946</b>	<b>1,386,511</b>

Source: MoPSC FERC Form 2, 2013 Annual Report (Missouri Jurisdictional)

(1) A division of Laclede Gas Company

(2) Summit Natural Gas Company, a subsidiary of Summit Utilities, Inc.

(3) Southern Missouri Gas Company, L.P. d/b/a a Summit Natural Gas Company

(4) Union Electric Company d/b/a Ameren Missouri

# REGULATORY ACTIVITY

## WATER AND SEWER

The Water and Sewer Unit (Unit) provides technical expertise in the operation of water and sewer companies and analyzes applicable tariffs and tariff filings to ensure they are in compliance with appropriate state law, commission rule, and are fair for both the utility and consumer.

The main functions of the Unit are to assist small companies in their day-to-day operations, conduct inspections, assist customers, investigate customer complaints, work on tariff filings, review small and large company rate requests, and review applications for certificates of convenience and necessity to ensure that a proposed utility is in the public interest.

The Unit plays a key role in developing appropriate rates required for the utility to collect the revenues that have been approved by the Commission.

Another major role fulfilled by the Unit is investigating customer complaints regarding quality of service issues. Unit personnel spend many hours in the field investigating complaints and working with the customer and the company to find solutions to the customer's concerns.

There are approximately 75 regulated water and/or sewer companies in Missouri. Most of these companies are considered small or very small based upon those definitions as provided by the National Regulatory Research Institute (NRRI). One of the major challenges is providing the utility with reasonable rates to make needed repairs and Missouri Department of Natural Resources (DNR) mandated upgrades while at the same time keeping rates reasonable for consumers.

In fulfilling its duties, the Unit also works very closely with DNR whose responsibilities include ensuring that the utilities are complying with applicable federal and state environmental and water quality laws and regulations.

The Commission and DNR share information about the companies they regulate under a Memorandum of Understanding. This agreement includes provisions regarding the agencies' cooperation and coordination on overlapping matters such as DNR's issuance of construction and operating permits and the Commission's utility service area certification process.

The Unit is also active in federal activities that impact water and sewer industries in Missouri. Many of the issues that are impacting these industries in Missouri are obstacles in the other states as well; therefore, the Unit participates in working groups with the NRRI and NARUC.

### MAJOR ISSUE IMPACTING THE WATER AND SEWER INDUSTRIES

One major issue impacting the Unit and the industries is the level of infrastructure repair and replacement required throughout the state. Recent findings by the US Environmental Protection Agency (EPA) indicate that nationwide, the cost to upgrade the water and wastewater infrastructure is approximately \$384 billion. In addition to the approximately 75 systems regulated by the Commission, there are approximately 2,200 water systems in the state. The EPA estimates the capital infrastructure needs for Missouri are approximately \$8.5 billion. Many of the small systems in Missouri are decades old and repair or replacement of the infrastructure is a constant need. However, small systems have a difficult time raising appropriate levels of capital to meet the needs of the system and to upgrade to new environmental rules.

The Unit is constantly engaged with the small systems that are regulated by the Commission and other interested entities to look for creative solutions to allow the utilities to make the appropriate upgrades and to continue to provide safe and adequate service at just and reasonable rates.

The Unit has recently started a dialogue with the Missouri Rural Water Association (MRWA) to investigate new ways to provide the appropriate assistance to small water and sewer systems.



# REGULATORY ACTIVITY

## WATER & SEWER RATE CASES

Case Number	Company	Effective Date	Increase Requested	Increase Granted
SR-2013-0321	Lincoln County Sewer and Water, LLC	Pending	\$13,382	Pending
WR-2013-0322	Lincoln County Sewer and Water, LLC	Pending	\$7,569	Pending
SR-2013-0435	Rogue Creek Utilities, Inc.	3/1/14	\$48,565	\$36,453
WR-2013-0436	Rogue Creek Utilities, Inc.	3/1/14	\$40,425	\$25,521
SR-2013-0459	Lake Region Water & Sewer Company	6/4/14	\$218,762 Total	\$30,266
WR-2013-0461	Lake Region Water & Sewer Company	6/4/14		\$23,789
WR-2013-0543	Roy-L Utilities, Inc.	5/23/14	\$8,072	\$1,514
SR-2013-0544	Roy-L Utilities, Inc.	5/23/14	\$10,378	\$7,393
SR-2014-0067	M.P.B. Inc.	Pending	\$35,335	Pending
SR-2014-0068	P.C.B. Inc.	Pending	\$46,315	Pending
WR-2014-0104	Terre Du Lac Utilities Corporation	Pending	\$33,800	Pending
SR-2014-0105	Terre Du Lac Utilities Corporation	Pending	\$39,500	Pending
SR-2014-0153	Peaceful Valley Service Company	Pending	\$93,000	Pending
WR-2014-0154	Peaceful Valley Service Company	Pending	\$0	Pending
SR-2014-0166	Hickory Hills Water & Sewer	Pending	\$6,248	Pending
WR-2014-0167	Hickory Hills Water & Sewer	Pending	\$4,525	Pending
SR-2014-0247	Central River's Wastewater Utility, Inc.	Pending	\$91,790	Pending

# REGULATORY ACTIVITY

## STAND ALONE WATER AND SEWER COMPANIES\*

Name of Water Company	Customers	Name of Sewer Company	Customers
Argyle Estates Water System	52	Cannon Home Association	105
Bilyeu Ridge Water Company, LLC	55	Central Rivers Wastewater Utility, Inc.	241
Empire District Electric Co.	4,471	EMC of St. Charles	25
Environmental Utilities	21	House Springs Sewer Co.	1,169
Evergreen Lake Water Co.	51	M.P.B. Inc. (1)	228
Franklin County Water Co.	186	Mid MO Sanitation	28
Gascony Water Co., Inc.	172	Mill Creek Sewer Co. (1)	75
I H Utilities	710	North Oak Sewer	78
Kimberling City Water Company	94	P.C.B. Inc. (1)	333
Lakeland Heights Water	106	RD Sewer	166
Middlefork Water Co. **	2	Taneycomo Highlands	26
Midland Water Co.	94	Taney County Utilities	61
Moore Bend Utility, LLC	86	TBJ Sewer Systems, Inc.	63
Oakbrier Water Co.	60	Timber Creek Sewer Co.	1,715
Ozark Shores Water Co.	1,861	Village Water & Sewer	241
Public Funding Corp of Ozark	219	Warren County Sewer Co.	35
Raytown Water Co.	6,536	West 16th Street	149
Rex Deffenderfer Enterprises Inc.	1,119	WPC Sewer Co.	68
Riverfork Water Co.	143		
Smithview H2O Co.	105	<b>Total Number of Customers</b>	<b>4,806</b>
Spokane Highlands Water Co.	48		
Stockton Hills Water Co.	162		
Taney County Water, LLC	512		
Village Greens Water Co.	71		
Whispering Hills Water Co.	49		
Whiteside Hidden Acres, LLC	37		
Woodland Manor Water Co.	164		
<b>Total Number of Customers</b>	<b>17,186</b>		

\*Active Companies as of 6/30/14. Customer numbers based on most recent data available.

\*\*Middlefork Water Company provides water to Grant City and Stanberry, which buy the water wholesale to provide to approximately 2,100 customers.

(1) Operating Under Receivership

# REGULATORY ACTIVITY

## COMBINATION WATER AND SEWER COMPANIES\* CALENDAR YEAR 2013

Company Name	Water Customers	Sewer Customers
Brandco Investments	225	225
Calvey Brook	0	0
Cedar Green Land Acquisitions	54	54
Foxfire	306	204
Gladlo Water & Sewer Co. (1)	61	65
Hickory Hills Water & Sewer Co.(1)	49	47
Highway H Utilities, Inc.	331	331
Holtgrewe Farms Water Co., LLC	3	3
Lake Northwoods Utility Co.	20	20
Lake Region Water and Sewer Co.	658	880
Liberty Utilities	2,003	451
Lincoln County Sewer & Water, LLC	122	123
Missouri American Water Co.	453,377	4,343
Missouri Utilities Co. (1)	151	151
Osage Water Co. (1)	418	386
Peaceful Valley Service Co.	176	179
Port Perry Service Co.	308	175
Rogue Creek Utilities (1)	99	93
Roy L Utilities, Inc.	61	57
S K & M Water & Sewer Co.	276	152
Seges Mobile Home Park	60	60
Southtown Utilities Co., Inc.	121	124
Terre Du Lac Utilities Corp.	1,267	1,244
Valley Woods Utility, LLC	42	32
Willows Utility Co.	186	186
<b>Total Number of Customers</b>	<b>464,374</b>	<b>9,585</b>

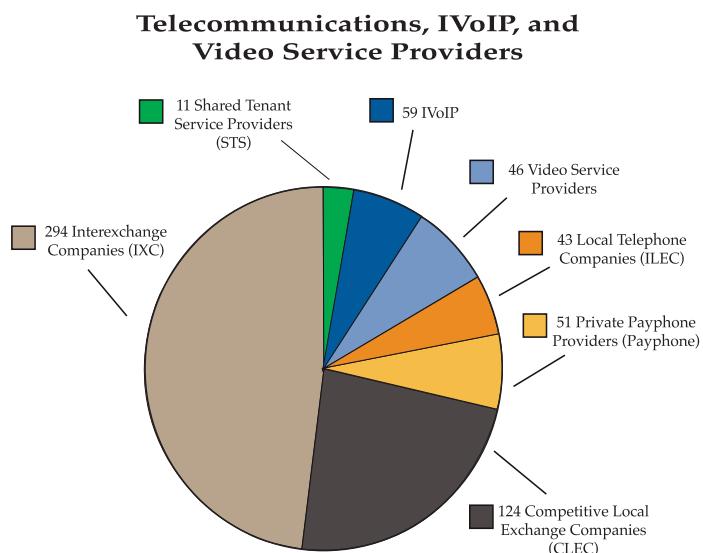
\*Active Companies as of 6/30/14. Customer numbers based on most recent data available.

(1) Operating Under Receivership

# REGULATORY ACTIVITY

## TELECOMMUNICATIONS Commission Authority/ Responsibilities

The Commission's authority over telecommunications has changed over the years, with jurisdiction primarily limited to wholesale matters, telephone numbering and administering telecommunications-related funds. Companies providing various forms of landline telecommunications services and Interconnected Voice over Internet Protocol (IVoIP) service must be certificated or registered with the Commission. Companies offering video service have the option to seek authorization through the Commission rather than through a local municipality.



## Universal Service Fund Programs

The Federal Communications Commission (FCC) administers the federal universal service fund (USF). This federal fund is used for a variety of different programs; however, the FCC relies on state commissions to specifically help in the administration of the high-cost program and the Lifeline program. Any landline or wireless company operating in Missouri wanting to receive financial support from the high-cost program or the Lifeline program must first obtain status from the Commission as an eligible telecommunications carrier (ETC). ETC status ensures a company meets certain qualifications and also makes certain commitments for complying with various program requirements. Minimum ETC requirements are identified in FCC rules; however, a state commission may expand upon those requirements. A total of 70 companies have ETC status in Missouri.

**High-Cost Support Program:** The high-cost program is intended to ensure voice and broadband services are available to Americans throughout the nation at comparable rates. Essentially the high-cost support program provides financial support to companies serving high-cost areas such as rural and sparsely-populated areas. In Missouri, 44 landline companies and 3 wireless companies received \$106,536,699 in federal high-cost support in 2013.

The FCC relies on state commissions to annually certify companies receiving high-cost support payments. This certification process is intended to ensure a carrier's high-cost support was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance and upgrade of facilities and services for which the support is intended. Failure to obtain this state certification results in termination of a company's high-cost support. The Commission has established rules identifying requirements for obtaining annual certification. In addition, the PSC Staff annually conducts on-site visits evaluating a company's facilities and overall operations.

**Lifeline Program:** The Lifeline program is designed to provide discounted phone service to qualifying low-income consumers. Qualifying criteria includes participation in such programs as Missouri HealthNet, food stamps, supplemental security income, low-income home energy assistance program, federal public housing, national school free lunch program or temporary assistance for needy families. An income-based threshold based on 135% of the federal poverty level is also available. The program has been in existence since 1985 and is overseen by the FCC in partnership with states. Landline and wireless companies participating in the Lifeline program currently receive federal USF funding of \$9.25 per month for each Lifeline subscriber. Landline companies offering Lifeline service receive an additional \$3.50 per month per Lifeline subscriber from the Missouri USF. Effective October 1, 2014, the additional amount from the Missouri USF will increase to \$6.50 raising the total discount for a landline Lifeline subscriber to \$15.75.

As of June 2014, national Lifeline subscriber quantities totaled 13.4 million. Missouri has 199,360 Lifeline subscribers which is 44% less than in 2012.

**Disabled Program:** The disabled program is similar to the Lifeline program in that it provides discounted phone service to consumers participating in the following programs: veterans' administration disability benefits, state blind pension, state aid to blind persons, state supplemental disability assistance payments, or federal social security disability program. In contrast to the Lifeline program, the disabled program is solely funded through the Missouri USF. The disabled program is limited to landline providers and offers a \$3.50 discount; however, this amount will increase to \$6.50 effective October 1, 2014. Approximately 1,314 subscribers were participating in the program at the end of June 2014 versus 2,855 subscribers a year earlier.

# REGULATORY ACTIVITY

## Funds Administered by the Commission

**Missouri Universal Service Fund:** The Missouri Universal Service Board (Board), consisting of the Commission and Public Counsel, oversees the Missouri USF pursuant to Section 392.248, RSMo. The Missouri USF provides funding solely to landline carriers for the provisioning of discounted voice service to qualifying Lifeline and disabled customers. Some parties have urged the Commission to expand the fund to provide high-cost support; however, feedback solicited during the past year has been mixed. The Missouri USF is funded through a percentage based assessment on retail net jurisdictional revenues of landline telecommunications companies and interconnected VoIP providers. This assessment is ultimately paid for by consumers and shows up as the Missouri USF surcharge on monthly bills.



The Missouri USF fund balance has grown from \$3,044,050, to \$3,276,781 during the July 2013 through June 2014 time period. The Missouri USF assessment was reduced from .0025 to .0017 effective July 1, 2013. Despite this assessment reduction the fund balance continued to grow. Fund growth was attributed to fund expenses declining faster than anticipated and fund revenues declining more slowly than projected. The Missouri USF assessment will be further reduced from .0017 to .0010 effective October 1, 2014. In addition the Missouri USF support amount will be increased from \$3.50 to \$6.50. These adjustments are projected to slowly reduce the fund balance to approximately \$1 million by mid-2017.

**Relay Missouri Fund:** The Commission oversees the Relay Missouri Fund (a.k.a. Deaf Relay Service and Equipment Distribution Program Fund) pursuant to Section 209.258, RSMo. This fund provides financial support to ensure deaf, hearing-impaired and speech-impaired consumers have reasonable access to telephone service. More specifically, the Relay Missouri Fund specifically provides financial support for Relay Missouri service, Captioned Telephone service (CapTel) and the Telephone Access Program. Sprint is contracted to provide intrastate relay and CapTel services

in Missouri. The current contract is in effect for four years from August 1, 2013, through July 31, 2017. Missouri Assistive Technology administers the Telephone Access Program.

The Relay Missouri Fund is funded by a surcharge applied to landlines with basic local telecommunications service or interconnected VoIP service. The Commission recently approved a PSC Staff proposal to reduce the Relay Missouri surcharge from \$.08 to \$.06.

## Pricing Reforms

Pricing flexibility has been available for all companies for several years depending on the type of service or competitive status; however, effective August 28, 2014, all retail telecommunications rates were de-regulated. Terms, conditions and rates associated with telecommunications services can either be maintained in a tariff filed with the Commission or by maintaining rates on a company's website.

Reforms to the federal high-cost universal service fund program now require an incumbent local telephone company to maintain monthly local rates above a certain level in order for a company to continue to receive full funding. This requirement is intended to ensure universal service funding provided to companies serving high-cost areas does not subsidize artificially low local service rates. The rate floor was initially set at \$10 and will increase to \$20 by mid-2017. Many companies have increased local rates to retain full high-cost support funding.

Federal reforms have also impacted intercarrier compensation rates; specifically the switched access rates billed by local telephone companies to interexchange carriers for the use of local telephone company facilities in either originating or terminating interexchange calls. In general, intrastate switched access rates have been higher than interstate switched access rates. In 2011, the FCC initiated action to begin reforming intercarrier compensation as one way to help promote broadband development. For the past several years, initial steps have required local telephone companies to gradually reduce intrastate terminating switched access rates in order to match corresponding interstate rate levels by July 1, 2014.

## Rulemakings

During this past year the Commission made significant changes to rules relating to universal service funding. These rule changes compliment recent FCC reforms to the federal USF and the Lifeline program. In general the rule changes are intended to clarify and improve the ETC application process as well as strengthen Lifeline compliance efforts. The rule revisions went into effect April 30, 2014 and are contained in 4 CSR 240-31.

# REGULATORY ACTIVITY

The Commission has also initiated a proposed rulemaking to rescind and update various telecommunications rules primarily due to changes in state legislation impacting the Commission's authority. A significant portion of the Commission's existing rules are being rescinded. An attempt is being made to update and streamline remaining rules pertaining to authorizations, reporting, assessments, service, tariffs, interconnection agreements and 211. The rulemaking is only in the early stages as feedback has been solicited from interested parties before initiating the formal rulemaking process.

## Telephone Numbering

The Commission serves as an impartial telephone numbering administrator in Missouri, working closely with the National Number Pool Administration to implement industry guidelines to include telephone number reclamation procedures, and the issuance of new telephone numbers in quantities sufficient to serve new telephone numbering needs.

The Commission also monitors national activities that impact telephone number administration in Missouri. These activities serve to meet expectations that telephone numbers are utilized efficiently as the Public Switched Telephone Network continues its evolutionary migration to an Internet Protocol-based successor network.

The Commission also serves in a capacity to review, and potentially reverse, decisions by federal authorities which have denied additional telephone numbers to telephone companies when specific utilization guidelines are not met. Often referred to as "safety valve" requests, such authority permits the Commission to examine and verify telephone numbering needs involving individualized company-specific situations. In the 2014 fiscal year, the Commission was asked to examine and make determinations in two such company-specific situations.

The Commission continues to be aggressive in its efforts to conserve telephone numbers. Those efforts have enabled Missouri to delay the implementation of new area codes in the state. The following table shows Missouri's area code projected exhaust dates as well as the percentage of available telephone numbers currently assigned to carriers:

AREA CODE	PROJECTED DATE OF TELEPHONE NUMBER EXHAUSTION*
314	1st quarter of 2019
417	1st quarter of 2033
573	2nd quarter of 2024
636	Exhaust date exceeds 30 years
660	3rd quarter of 2041
816	4th quarter of 2021

\*Forecast as approved by the FCC in April 2014. The exhaust dates are reviewed twice a year by numbering authorities.

## Calling Problems

Erratic calling problems continue in many states involving calls terminating to rural areas served by small incumbent local telephone companies. Complaints to the Commission have slowed down, but rural companies in Missouri are still experiencing call completion problems. The core of these problems is calls are not reaching the called party. The source of these problems appears to rest with the originating interexchange providers and not the local telephone company serving the called party.

Efforts have been taken at the state and federal level to address calling problems. The Commission opened Case No. TW-2012-0112 to investigate calling problems in Missouri. The PSC staff conducted a workshop and held subsequent meetings to discuss problems and evaluate network reliability testing results. Information has also been gathered from the top 100 companies offering interexchange service in Missouri. This information suggests originating interexchange companies vary in traffic monitoring practices. In addition, many originating interexchange companies employ the services of multiple intermediate providers to help transmit interexchange traffic. It appears some of the intermediate providers may not be authorized to provide telecommunications or IVoIP services in the state of Missouri.

The FCC continues to address the call completion problem by fining companies for failing to adequately monitor traffic. The FCC also issued an order (WCDocket No. 13-39) on October 28, 2013, adopting rules to address call completion problems. At this time the call monitoring and reporting requirements mandated by the FCC's new rules have been subject to an administrative delay and consequently have not been fully implemented. The Commission submitted comments to the FCC in January 2014 for subsequent issues raised by the FCC's October order including a recommendation that intermediate providers be authorized by state and federal authorities and be subject to certain FCC rules.

# REGULATORY ACTIVITY

## MANUFACTURED HOUSING AND MODULAR UNIT PROGRAM

The Manufactured Housing and Modular Units Program (Program) is responsible for overseeing the annual registration of dealers and manufacturers of manufactured homes and modular units, as well as the installers of new manufactured federal Housing and Urban Development (HUD) homes. Program Staff also prescribes and enforces uniform construction, safety and installation standards by conducting inspections, which include enforcement of tie down and anchoring requirements.



The Commission has a toll-free number (1-800-819-3180) for consumers who have questions or complaints regarding manufactured homes or modular units. Staff conducts free home inspections for consumers requesting an inspection if the consumer is the first owner of the home and the home is less than two years old. Additional information is available on the Commission's website at [www.psc.mo.gov](http://www.psc.mo.gov). Once at the site, click on the manufactured housing tab at the top of the page.

During the 2014 fiscal year, 128 manufacturers, 197 retail dealers, and 78 installers were licensed. Field Staff conducted a total of 25 consumer complaint inspections, successfully resolving approximately 98% of complaints by working with manufacturers, dealers, installers and homeowners.

In addition, Field Staff conducted 332 on-site inspections prior to the completion of the installation of the home. On-site inspections can help identify any installation problems so those problems can be repaired before the installation of the home is completed, reducing repair costs and ensuring that the consumer has a properly installed, longer lasting home. In many cases, these on-site inspections are initiated or requested by the home installer, dealer or the home owner to ensure the site is properly prepared before the home is placed on the site.

### Oversight and Regulation

Structures that are not properly installed may result in very expensive repairs which can take weeks to complete. Most of today's homes and commercial units are multi-section structures installed on crawl spaces or basement foundations or below frost grade footings. Many of these structures have high pitched hinged roofs and require specialized equipment to install.

Many multi-section units require several weeks to fully complete from site preparation to final close up and interior finish. Program Staff work with local communities around the state to ensure manufactured homes and modular units are built to the applicable building and safety codes and are set up and installed according to applicable state standards.

### Manufactured Homes & Modular Unit Sales

Approximately 920 new manufactured homes and new modular units were sold in Missouri during the 2014 fiscal year (up 18% from fiscal year 2013). In addition, 1,295 used homes were sold in the state (down 23% from fiscal year 2013).

Modular and manufactured homes fill a major housing void in many rural areas where site built homes are difficult to construct in a timely manner. Pursuant to a report published by the Governmental Accounting Office and the Federal Housing Institute, approximately five percent of Missouri residents live in a manufactured home. In addition, residential and commercial modular units are becoming a very popular and affordable alternative to site built constructed units.

### Commercial Modular Units

Commercial modular units range from small single section units, to large 16 to 20 section multi-family structures. Other commercial units include specialized units such as medical facilities, banks and jails. Many of these commercial units can be delivered and fully operational within a very short period of time. Program Staff work with local building and code officials to ensure these structures meet the applicable commercial building code requirements under the International Building Codes (IBC).

### Modular Classrooms

Modular unit classrooms are a major component of affordable classrooms in many school districts throughout the state. Program Staff continues to work with school districts to ensure these units are installed and anchored properly so that schools have safe environments for all school children. Program Staff strives to inspect 100% of all new and used modular classroom installations.

### Dispute Resolution Hearing Process

The dispute resolution process is conducted at the home's location with the homeowner, manufacturer,



# REGULATORY ACTIVITY

dealer, installer(s) and Program Staff. Corrective action is identified by Program Staff and the responsible party is required to make the applicable changes. This process has reduced the legal cost for the industry, the consumer and the Commission.

## STATISTICS FOR FISCAL YEAR 2014

Registered Manufacturers:	128
Registered Dealers:	197
Registered Installers:	78
Homes Sold (New & Used):	2,215
Consumer Complaint Inspections:	25
On-Site Inspections:	332
Dealer Lot Inspections:	114
Dealer Lot Investigations:	45
Modular Unit Seals Issued:	951
Modular Unit Plans Approved:	396
Installer Decals Issued:	870

in the context of rate increase requests, acquisitions, new certificate cases, implementation reviews and general consultative activity.

Service quality analyses were performed on the following companies during 2014: West 16th Street, M.P.B, P.C.B, Gladlo Water and Sewer Company, Rogue Creek Utilities, Peaceful Valley Service Co, Central Rivers Waste Water Company, Tri-States Utility, Inc., Woodland Manor Water Company, RD Sewer Company, Hickory Hills Water and Sewer Company, IH Utilities, Lake Region Water and Sewer Company, Terre Du Lac Utilities Corp., Cedar Green Sewer Company, Emerald Pointe Utility Co., Moore Bend Water Co., Lincoln County Sewer and Water, LLC, and Roy L. Utilities.

Management Analyst Staff were also involved in the Joint Application of Southern Union Company d/b/a Missouri Gas Energy (MGE), The Laclede Group, Inc. and Laclede Gas Company (Laclede) to sell the MGE assets to Laclede. The role of EMSU Staff included assisting to ensure the merger did not result in service declines for either MGE or Laclede Gas Company customers (Case No. GM-2013-0254). Service quality reporting and monitoring of the merger transition by Staff continues. EMSU Staff meet periodically with Laclede and MGE personnel to address a number of service quality topics, particularly those relating to call center and customer information system issues. Staff also participated in MGE's subsequent rate case (Case No. GR-2014-0007).

EMSU Staff participated in a billing complaint filed by the Office of the Public Counsel against Missouri American Water Company regarding the alleged inaccurate billing of customers in the Branson area (Case No. WC-2014-0138). Staff conducted an analysis in the context of the complaint and prepared a report which made 20 recommendations to management for improvement. Subsequent to the billing complaint, the Staff requested the Commission to open an investigatory docket (Case No. WO-2014-0362), to examine Missouri American's call center performance in response to a variety of concerns raised by customers and discovered in Staff's prior investigation of Missouri American. EMSU Staff is currently participating in that investigation. Staff continues to meet periodically with Missouri American Water Company to review and address a variety of service quality topics including billing, call center, the Company's transition into its new Business Transformation computer system and other related issues.

EMSU Staff are also participating in an investigatory docket (Case No. EO-2014-0306) into an agreement between Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company and Allconnect Inc. Allconnect contracts with utilities throughout the United States for access to customers of utilities to attempt to sell them other types of services including communication and home product services.

Staff continues to meet quarterly with Kansas City Power & Light and KCP&L Greater Missouri Operations Company to address service quality topics as a result of the Great Plains Energy/Kansas City Power & Light Company/Aquila, Inc. merger (Case No. EM-2007-0374). A variety of service quality topics are continuously reviewed with the companies to monitor utility performance and customer service.

## ENGINEERING AND MANAGEMENT SERVICES

### Management Services Staff

Management Analysts in the Engineering and Management Services Unit (EMSU) participated in a variety of cases and audit projects during 2014. EMSU Staff performed analyses in conjunction with the review of numerous small water and sewer companies to assist them in providing sound customer service as well as efficient and effective business practices.

The small water and sewer audit program is designed to assist small companies (defined as having approximately 8,000 or fewer customers), in a variety of areas including: customer billing, payment remittance, credit and collections, complaint handling, business office operations and record retention. This program is utilized by Management Analysts when a small utility requests a rate increase.

As part of the audit program, Management Analysts produce a report which contains a description of the companies' processes and procedures as well as audit findings and recommendations for improvement. The audit program also includes implementation reviews, along with continued monitoring of the small utilities after completion of the audit reports.

Management Analysts performed service quality analyses during 2014 on a number of small water and sewer companies

# REGULATORY ACTIVITY

EMSU Staff also participated in the Commission's Telecommunications Unit's review of Universal Service Fund (USF) certifications for five telecommunications companies: Oregon Farmers Mutual, Rockport Telephone Company, Ellington Telephone Company, Fidelity Communications Services I, Inc., and Fidelity Telephone Company. Staff analyzed a variety of processes and practices during each of these reviews, including customer billing and payment remittance, credit and collections, local business office operations and the company's handling of customer complaints and inquiries. EMSU Staff submitted a number of data requests, performed on-site work and made recommendations for improvements.

EMSU Staff also participated in the rate case filed by Summit Natural Gas of Missouri Inc. (Case No. GR-2014-0086), to obtain service quality reporting, including call center metrics, from the utility. Management Analysts also attended a number of local public hearings regarding rate increase requests during the fiscal year and participated in the investigation and resolution of several customer complaints.

Staff continues to receive and review quality of service reports from a variety of companies as a result of mergers and rate cases. These reports contain information regarding customer service, including data on staffing levels, call center indicators such as average speed of answer and abandoned call rate, and the number of billing estimates performed.

Staff monitors the call center performance of all of the state's large regulated natural gas and electric companies as well as Missouri American Water Company. Staff specifically reviews and analyzes call center performance trends and these reviews often result in additional inquiries and discussion with the utilities regarding performance. Staff also performed analysis on a variety of customer complaints during this period.

## Engineering Staff

EMSU Engineering Staff performed depreciation analyses on a number of utility companies during the fiscal year. The purpose of depreciation in a regulatory environment is to recover the original cost and cost of removal less salvage of capital investment from customers and to allocate those costs over the useful life of the assets.

Annual depreciation expense, distributed over the life of each asset, results in the full recovery of the original cost plus the cost of removal of capital assets.

The Engineers' objective is to propose depreciation rates that are fair and appropriate for each company as well as its customers. Historical plant additions and retirements are studied in computer models that assist Depreciation Engineers in applying professional judgment when determining an average service life for utility assets that are classified in a system of plant accounts. The Engineers also participate in plant visits to observe the physical assets represented in the individual accounts that are being depreciated.

Commission rules provide specific requirements for utilities to maintain their plant records. Depreciation comprises a

significant component of the cost used to develop utility rates paid by consumers.

During the year, Engineering Staff provided expert depreciation analyses and testimony in the context of several large utility rate cases including those filed by Laclede Gas Company (Case No. GR-2013-0171), Missouri Gas Energy (Case No. GR-2014-0007), Summit Natural Gas of Missouri, Inc. (Case No. GR-2014-0086), Liberty Utilities Corporation (Case No. GR-2014-0152) and Veolia Energy Kansas City, Inc. (Case No. HR-2014-0066).

Engineering Staff also participated in several small water and sewer company rate cases and the majority of other cases which were previously mentioned.

# CONSUMER SERVICES

The Consumer Services Unit (Consumer Services) responds to information requests and responds to consumer complaints and inquiries regarding utility service. Consumer Services ensures utility compliance with Commission rules and regulations as well as with the utilities' Commission-approved tariffs. Consumer Services also works to educate customers, utilities and the public on utility-related consumer service issues, rights and responsibilities, with a focus on promoting understanding to prevent disputes.

Consumer Services is actively involved in consumer education efforts throughout the State. In Fiscal Year 2014, there were approximately 50 different consumer outreach venues (i.e., state, energy, health and senior service fairs, HEAT-UP St. Louis, Community Action Agency forums and local public hearings).

Consumer Services has full-time investigators who handle a variety of consumer issues including billing problems, payment arrangements, denial of service issues, disconnection and service connection issues, enforcement of rules and regulations and safety issues. Consumer Services is the link between consumers and the utility company that serves them. Consumer Services handles all contacts in a prompt, fair and practical manner.

Consumer Services encourages all parties to focus on preventing problems before they occur. When consumer issues are found, investigators guide the parties to identify and correct the cause.

Consumer Services also handles pro se formal complaint cases, participates in customer-service focused reviews of utility operations and testifies in formal cases before the Commission regarding issues that affect consumers.

The Commission received over 16,400 customer-related contacts in 2014. Contacts include complaints, inquiries regarding rules and regulations, information requests, non-jurisdictional requests, and public comments related to pending utility cases.



# YEAR IN REVIEW

## 2013

**July 5** Chairman Robert Kenney is named chair of the NARUC Energy Resources and the Environment Committee.

**July 8** Commissioner Terry Jarrett announced he will not seek reappointment when his term expires on September 11, 2013.

**July 17** Commission approves agreement authorizing Laclede Gas Company to purchase the natural gas operations of Missouri Gas Energy.

**July 17** Commission sets up working case to receive information on the Missouri Lifeline Program.

**August 7** Commission approves application authorizing Transource Missouri, LLC to construct, own, operate and maintain two regional, high-voltage electric transmission projects in northwest Missouri.

**August 21** Commission approves joint application which authorizes Tri State Utility, Inc. to sell substantially all of its assets to Missouri American Water Company.

**September 9** Commission observes National Telephone Discount Lifeline Awareness Week.

**September 16** Missouri Gas Energy, a division of Laclede Gas Company files a natural gas rate case with the Commission seeking a general rate increase of approximately \$23.4 million.

**October 4** Commission partners with Heat-Up St. Louis on a "Utility Days" in St. Louis. Heat-Up St. Louis is a non-profit organization that focuses on assisting elderly, disabled and low-income families with their heating bills. "Utility Days" are designed to provide the public with information and education in a "one-stop-shop" setting.

**October 23** Commission determines certificate of convenience and necessity granted to Envirowater Company, LLC in 2004 is null and void since company did not exercise the authority conferred within two years of its issuance.

**November 1** Commission Cold Weather Rule takes effect and will remain in effect until March 31. It has been a part of the Commission's rules and regulations since 1977.

**November 26** Commission opens workshop docket to examine transmission seams issues between the Midcontinent Independent System Operator, Inc. (MISO) and Southwest Power Pool, Inc. (SPP).

**November 27** Veolia Energy Kansas City, Incorporated files a rate case with the Commission seeking to increase annual steam revenues by approximately \$1 million.

## 2014

**January 2** Summit Natural Gas of Missouri, Inc. (SNG) files a natural gas rate case with the Commission seeking to increase annual natural gas revenues by approximately \$7.5 million.

**January 15** Commission seeks comments on possible creation of Missouri Universal Service high-cost fund.

**January 30** Missouri Senate gives unanimous advice and consent to Governor Nixon's appointment of Daniel Hall as a Commissioner on the Public Service Commission.

**February 6** Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities files a natural gas rate case with the Commission seeking a general rate increase of approximately \$6.3 million.

**March 12** Commission approves the sale of the water and sewer system assets of Emerald Pointe Utility Company to Missouri American Water Company.

**March 17** Commission supports national "Fix-A-Leak Week".

**April 3** Missouri Senate gives unanimous advice and consent to Governor Nixon's appointment of Scott Rupp as a Commissioner on the Public Service Commission.

**April 8** Commission grants a certificate of convenience and necessity to Ameren Missouri to build solar generation facilities in O'Fallon, Missouri.

**April 23** Commission approves agreement which authorizes Missouri Gas Energy to increase annual natural gas revenues by approximately \$7.8 million. When the rate case was filed on September 16, 2013, MGE sought to increase annual natural gas revenues by approximately \$23.4 million.

**May 14** Commission opens working case to assist in the drafting of rules regarding utility pay stations and short-term lenders.

**June 5** Commission approves agreement to implement energy efficiency programs under the Missouri Energy Efficiency Investment Act (MEEIA) for Kansas City Power & Light Company.

**June 21** Commission hosts Community Resource and Energy Fair in Independence.

# PSC COMMISSIONERS PAST AND PRESENT

COMMISSIONER	LENGTH OF SERVICE	COMMISSIONER	LENGTH OF SERVICE
John M. Atkinson	1913-1916	M.J. McQueen	1954-1956
William F. Woerner	1913-1914	D.D. McDonald	1955-1961
John Kennish	1913-1917; 1920	William Barton	1956-1965
Frank A. Wightman	1913-1915	Frank J. Iuen	1959-1963
Howard B. Shaw	1913-1917	Frank W. May	1961-1967
Edwin J. Bean	1914-1925	Donal D. Guffey	1963-1968
Eugene McQuillin	1915-1917	William R. Clark	1965-1975
William G. Busby	1916-1921	Charles J. Fain	1965-1977
David E. Blair	1917-1920	Howard Elliot, Jr.	1967-1970
Noah W. Simpson	1917-1923	Marvin E. Jones	1967-1973
Edward Flad	1917-1921	Willard D. Reine	1968-1975
John A. Kurtz	1920-1923	James F. Mauze	1971-1975
Hugh McIndoe	1921-1923	A. Robert Pierce, Jr.	1973-1977
A.J. O'Reilly	1921-1925	James P. Mulvaney	1975-1977
Richard H. Musser	1923-1925	Stephen B. Jones	1975-1979
Merrill E. Otis	1923-1924	Hugh A. Sprague	1975-1979
Thomas J. Brown	1923-1928	Charles J. Fraas	1977-1983
D.E. Calfee	1925-1929	Leah Brock McCartney	1977-1983
Almon Ing	1925-1933	Alberta Slavin	1977-1981
S.M. Hutchinson	1925-1931	Stephanie Bryant	1979-1981
J.H. Porter	1925-1933	Larry W. Dority	1979-1983
James P. Painter	1928-1929	John C. Shapleigh	1981-1984
Milton R. Stahl	1929-1933	Charlotte Musgrave	1981-1988
J. Fred Hull	1929-1934	Allan G. Mueller	1983-1996
George H. English	1931-1936	Connie Hendren	1983-1989
J.C. Collet	1933-1935	James M. Fischer	1984-1989
William Stoecker	1933-1936	William D. Steinmeier	1984-1992
W.M. Anderson	1933-1938	David Rauch	1989-1993
Harry E. McPherson	1934-1935	Kenneth McClure	1990-1997
Sam O. Hargus	1935-1937	Ruby Letsch-Roderique	1990-1991
John S. Boyer	1935-1941	Patricia Perkins	1991-1995
Albert D. Nortoni	1936-1938	Duncan Kincheloe	1992-1997
John A. Ferguson	1936-1944	Harold Crumpton	1993-2000
J.D. James	1937-1942	M. Dianne Drainer	1995-2001
Marion S. Francis	1938-1941	Karl Zobrist	1996-1997
Scott Wilson	1938-1941	Robert Schemenauer	1998-2001
Paul Van Osdol	1941-1943	Sheila Lumpe	1997-2003
Frederick Stueck	1941-1943	Connie Murray	1997-2009
Kyle Williams	1941-1952	Kelvin Simmons	2000-2003
Charles L. Henson	1942-1959	Bryan Forbis	2001-2003
Albert Miller	1943-1944	Steve Gaw	2001-2007
Richard Arens	1944-1945	Linward "Lin" Appling	2004-2008
Agnes Mae Wilson	1943-1949	Robert Clayton III	2003-2011
E.L. McClintock	1945-1967	Jeff Davis	2004-2012
Morris E. Osburn	1945-1952	Kevin Gunn	2008-2013
John P. Randolph	1949-1951	Terry Jarrett	2007-2013
Henry McKay Cary	1950-1955	Robert S. Kenney	2009-present
Maurice Covert	1952-1953	Stephen M. Stoll	2012-present
Tyre W. Burton	1952-1965	William P. Kenney	2013-present
Frank Collier	1953-1954	Daniel Y. Hall	2013-present
		Scott T. Rupp	2014-present



# CONTACTING THE PSC

Missouri Public Service Commission offices are located in Kansas City, Jefferson City and St. Louis. The PSC is open from 8:00-12:00 noon and 1:00-5:00 p.m., Monday through Friday, except on state holidays.

**Jefferson City:**

Missouri Public Service Commission  
Governor Office Building  
200 Madison Street  
(Mailing Address: P.O. Box 360)  
Jefferson City, MO 65102  
Other Business: (573) 751-3234  
Fax: (573) 751-1847

**St. Louis:**

Missouri Public Service Commission  
111 North 7th Street, Suite 105  
St. Louis, MO 63101  
Telephone No.: (314) 340-4700  
Fax: (314) 340-4725

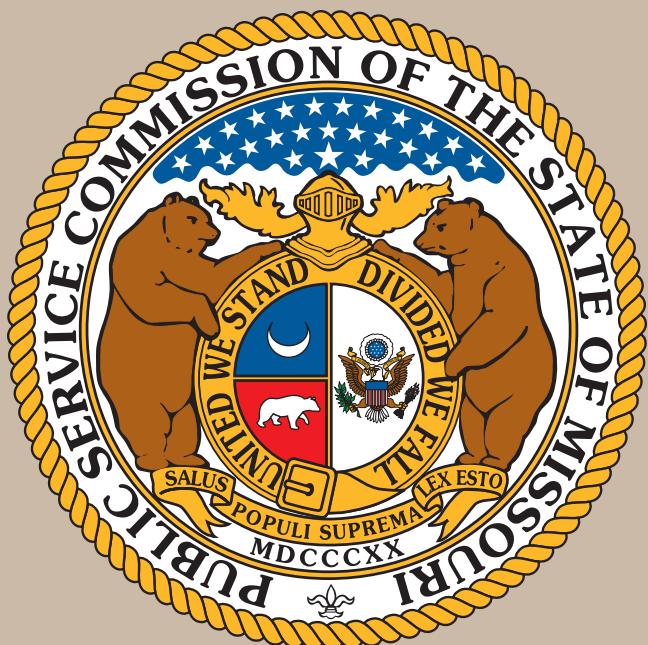
**Kansas City:**

Missouri Public Service Commission  
Fletcher Daniels State Office Building  
615 E. 13th Street  
Kansas City, MO 64106  
Telephone No.: (816) 889-3946  
Fax: (816) 889-3957

**Toll-free Consumer Hotline for  
Complaints: (800) 392-4211**

**Manufactured Housing/Modular Unit  
Complaints: (800) 819-3180**

Web site address: [www.psc.mo.gov](http://www.psc.mo.gov)



[www.psc.mo.gov](http://www.psc.mo.gov)

(800) 392-4211